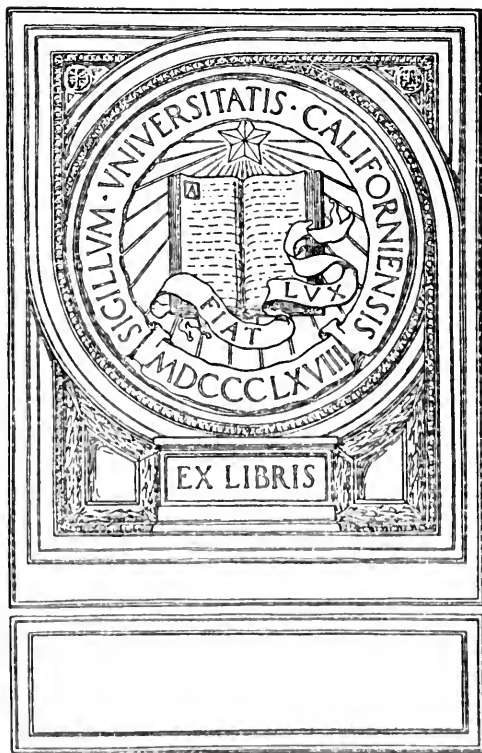




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# THE LIMIT OF WEALTH

•The  Co. •

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# THE LIMIT OF WEALTH

BY

ALFRED L. HUTCHINSON

“Ill fares the land to hastening ills a prey,  
Where wealth accumulates, and men decay.”

— GOLDSMITH.

New York

THE MACMILLAN COMPANY

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To

THE "MAN WHO HAD CONVICTIONS OF RIGHT AND WRONG  
AND COURAGE TO ASSERT HIS CONVICTIONS OF  
RIGHT AT ALL TIMES AND ON ALL QUESTIONS"

THIS BOOK

IS MOST RESPECTFULLY DEDICATED

BY THE AUTHOR

205130

“ Don't interfere with the Bee when it is making honey, but when it is through take a big share of the honey.”

—ANDREW CARNEGIE.

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## PRE-STATEMENT

At the beginning of the year A.D. 1942, just four hundred and fifty years after the discovery of America by Columbus, the United States of North America so far outranked all other nations of the earth in power and material prosperity, that a Conference of the allied powers of Eurasia was called to meet at Paris for the purpose of taking such steps as would advance them to the rank of the Great American Republic.

With that end in view a committee was appointed by the Conference to investigate the system of government by which the United States had so quickly outclassed the old nations of the world, and to make a detailed report of its findings at a future meeting of the Conference.

The committee appointed for this purpose was a most remarkable one and consisted of seven members, as follows: The President of the French Republic, as Chairman; the King of England and Emperor of India; the Czar of Russia; the Emperor of Germany; the Sultan of Turkey; the Shah of Persia; and the Mikado of Japan.

Each member of this committee had the power and authority to appoint seven members of a subcommittee of forty-nine members, to have the immediate charge of the work of investigation, and each member of the subcommittee had power and authority to hire as many expert assistants and other assistants, secretaries, and clerks, as might be necessary to accomplish the task in the allotted time of one year.

By arrangement, the members of the subcommittee were to assemble at Washington, D.C., January 1, 1943, and, having outlined the work and apportioned to each member his share of it, they were to disperse, and after twelve months of investigations, were to re-assemble at Washington, compare notes, and weave the entire work into one complete report.

Having secured permission from the United States government for their work, with the understanding that the final report should be compiled under the censorship of a committee appointed by the President of the United States, and having received the proper credentials, the members of the subcommittee dispersed.

As arranged, their system of work provided that in any line of investigation, every statement entering into the minutes of their findings should be verified by ample proofs, and tabulated, so that in the final work of unifying their labors, no time should be lost in discussing

whether certain statements were true or not, and that any statement could be referred to by proper indexes.

The work was well completed within the year, so that by January 1, 1944, every member and his staff had returned to Washington and was ready for the work of unifying the several reports under censorship of the Committee of Censors.

The Committee of Censors appointed by the President of the United States consisted of nine members, chosen from various parts of the country, representing different interests, and all experts in their respective lines. But so thoroughly had the members of the subcommittee completed their work, and so amply supplied were they with proofs of every material statement made in their findings, that the Censors were often surprised at statements concerning matters in their especial fields of labor, and but for the proofs offered, would have disputed much of the work of the subcommittee.

When the work was finally finished, it was unanimously endorsed by the Committee of Censors, and a certificate, signed by the President of the United States and attested by his Secretary of State, was attached as a final acknowledgment of the correctness of the report.

It was a very voluminous document, consisting of no less than 25,000 pages of typewritten matter.

The Eurasian Conference was to hold a meeting

commencing July 1, 1944, for the purpose of receiving the report as made by the subcommittee to the members of the Principal Committee. By mutual agreement, no part of the report of the subcommittee was to be made public prior to its presentation at the second meeting of the Eurasian Conference.

It was the good fortune of the Editor to be the official stenographer of the Committee of Censors, and as such, took a complete copy of the minutes of each meeting held while the report was being compiled and censored, and from those minutes he has attempted to extract and weave into the form of a connected narrative, the substance of the report of the subcommittee, which showed the conditions which brought on a great crisis in the government of the United States, and the means employed to restore confidence and order among the people, who otherwise might have resorted to a bloody revolution to secure the rights which belonged to them.

As it appeared conclusively from the findings of the subcommittee that the cause of the crisis was the centralization of great wealth in a comparatively small number of the total population of the country, and that the means employed for eliminating the cause lay in the disintegration and distribution of great fortunes, the Editor has thought best to entitle this narrative "The Limit of Wealth"; and as the date for presenting the original report to the Eurasian Conference is now at

hand, there can be no objection to making public the facts as disclosed by the succeeding narrative.

Except for an occasional footnote, which has been added by way of explanation, the narrative follows strictly the verified statements contained in the original report.

Trusting that it will be received graciously by the people of this great and prosperous commonwealth is the most humble wish of

THE EDITOR.

WASHINGTON, D.C.,  
A.D. 1944, July 1.



*Dr. M. C. George*

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CITY HEALTH DEPT.

LOS ANGELES, CALIF.

# THE LIMIT OF WEALTH

## CHAPTER I

### A CRISIS AND ITS CAUSES

ON the fourth day of March, A.D. 1913, a great revolution occurred in the administration of the government of the United States.

Several causes had contributed to a crisis which should be thoroughly understood, and this report will attempt to present those causes in detail.

The United States of America had within its own territory, a territory so vast that the sun never set upon her possessions, the raw material for producing every commodity known to human want. It was, in that respect, absolutely independent of every other nation on earth.

It was a great producing country, as well, and, aside from the wants of its own people, which were with a few exceptions supplied from its own resources, contributed largely to the demands of other countries.

At the time of taking the census in 1910, the United States had a population of 125,000,000, not counting the people of Alaska nor those of her populous islands.

Her population had been increasing rapidly for a score of years, by the arrival of immigrants from the Old World, and a contemporary statistician estimated that if the ratio of increase in immigration were to continue for the remainder of the twentieth century, the year 2000 would find most of the people of the earth residing on American soil.

With such a heterogeneous mass of humanity, and such unbounded resources for development, there was every opportunity for the accumulation of vast private fortunes, and vast private fortunes were accumulated.

One sees how, in the wisdom of Nature, the constant circulation of water has been provided for. A spring gushes from the hillside and forms a tiny rill. The rill uniting with other rills forms a creek; creeks form rivers, and rivers flow into the sea. From the dawn of history all the mighty rivers of the earth have been pouring their floods into old ocean, yet the ocean has never overflowed its banks. A mist arises from the ocean under the influence of the rays of a tropical sun; the mist forms into a cloud and is wafted over the land; the clouds condense and descend as rain, giving nourishment to every living thing. The water trickles through the earth, emerges from a spring, and is again ready for another trip to the ocean. If it were not for this continual circulation of water which Nature has provided for, all the lands of the earth would be as so



much barren desert, and every form of life would vanish from its face.

Up to the crisis of 1913, man, with all his ingenuity for imitating the laws of Nature, had been unable to imitate her in maintaining a circulation of wealth, which was as necessary to the welfare of the human race as the circulation of water, and the enormous wealth of the country had rapidly centralized itself in the hands of a few individuals, and there was no law by which it could be returned to the people who had been its real creators.

At the beginning of the nineteenth century there was not a man in the United States who possessed in his own right a fortune exceeding ten million dollars; half a century later and there were half a dozen men whose wealth exceeded that sum; a quarter of a century more and there were a dozen men whose fortunes exceeded fifty million dollars each; and at the beginning of the twentieth century there was one man whose undisputed wealth aggregated FIVE HUNDRED MILLION DOLLARS, while a dozen others owned property valued at one hundred million dollars each; and more than a thousand men could boast of fortunes of more than ten million dollars each.

The large majority of these enormously rich men resided in the city of New York, which had become the financial center of the world. These enormous

fortunes were created from the daily contributions of the masses, which, poured into the public channels of commerce for the necessities of life, were rapidly swept along until they reached the common center of wealth, from which there was no power of separating them from the accumulated mass.

There was great unrest among the masses, for, as the years rolled by, the rich became infinitely richer, and the poor comparatively poorer.

Numerous parties came into existence with theories for the equalization of wealth : theories which appeared beautiful in the extreme, and which were honestly advocated ; but beautiful only as theories, and absolute failures when put to a practical test.

Among those theories for the betterment of the conditions of humanity were those of Henry George, whose remedy was the abolishment of all private ownership of lands, and permitting the occupancy of only so much as the occupant could afford to pay the rent for. It was known as the "Single Tax System," for it abolished all taxes on personal property and fixed the rent on land occupied in proportion as its location was valuable to the occupant.

"Single Tax Clubs" were formed in many of the large cities, which had many intelligent and ardent admirers. But the difficulty with the Single Tax Theory lay in the fact, that to put it into practice meant

the confiscation of all landed property, which would have led to a serious revolution; and after a few years of agitation, and the death of its author and chief advocate, the Single Tax Theory was abandoned altogether.

Another party had for its remedy, "Municipal Ownership of all Public Utilities," which was put to the test in many of the larger places, but which did not produce the beneficial effects anticipated.

The Socialists, who were particularly strong in certain localities, urged the government ownership and operation of all industries, and while they were never able to put their theories to a complete test, there were local tests made to such an extent as to prove the inefficiency of the theory of Socialism.

Due credit should be given to the promoters of all those parties, for they were honest in their labors in seeking something that would better the conditions of their fellow-men. They were doctors trying to cure a sick patient by experimental remedies. They knew that disease existed, but they were mistaken in the remedies prescribed. Each made one common mistake for which they were not altogether to blame. They treated their lowliest brethren as their equals, and held themselves to be the equals of the greatest of mankind.

When the people of the American Colonies declared their independence, they incorporated in their Declara-

tion of Independence these words, "We hold these truths to be self-evident; that all men are created equal": and on each anniversary of adopting that Declaration, throughout the land and to all the people, those words were repeated, until a great many people came to look upon the Declaration of Independence as a Divinely inspired work, and to believe that all people were actually created equal; and therefore all people should be equal in the enjoyment of all things, and that all things should be distributed equally among all people.

This was the root of the disease. The would-be doctors did not comprehend it, and so mistook the remedy.

There never had been, and there never could be, an equality among men. Some were born endowed with certain talents, which were totally lacking in other members of the same family. Some families possessed traits of ambition, and thrift, and enterprise, which were totally lacking in their neighbors. One man might be capable of carrying on an enterprise employing a hundred thousand men with as little effort as his neighbor who employed but half a dozen men.<sup>1</sup>

<sup>1</sup> This comparison in the report illustrates the worries of a man known in his lifetime to the father of the Editor. He was a naturalized Frenchman, owning a small farm on which there were a few acres of timber. One winter he employed four men in cutting cord wood, and in speaking of it to a neighbor, said, "I have so much business on hand, I can't sleep nights." — THE EDITOR.

So to consider the equalization of all property among all the people, to treat all the people as equally endowed and entitled to an equal portion of all property, was utterly preposterous. The very laws of Nature were against such a theory, for had there been actual equality among men, there would have been no progress, no enlightenment, and the people of the earth would have remained in the condition of the most primitive man to the end of time.

But the inequalities among men spurred the stronger on to conquests of their weaker brethren, and wars followed upon wars, and with each succeeding conquest great strides were made in the advancement of the Arts and Sciences.

Not that war and bloodshed were necessary to accomplish those results, but the superiority of certain races over others, and the superiority of certain individuals over others, developed their resources and annihilated barbarism.

But that one man should possess another as his chattel, or that he should come to own the earth as against the great majority of men, was not a law of Nature; and when such conditions existed, it was the right and privilege of the people to rebel, and to assert the rights which government, deriving its just powers from the consent of the governed, was formed to protect.

It was not right that he who, by his superior talents, conquered the forces of Nature to the benefit of all mankind, should enjoy no more of the fruits of his labors, than he whose mental weakness compelled him to grovel in the dust.

Neither was it right that certain individuals should possess in their own right any part of the earth which produced commodities necessary to the existence of the people, for which they could exact tribute to the end of time. And yet this latter condition actually existed in the United States and was another of the causes of the Crisis of 1913.

Meantime, the vast fortunes alluded to were increasing at an enormous rate. The man of half a billion dollars in 1900, counted his wealth by TWO BILLION DOLLARS in 1910, and the multimillionaire counted the increase of his millions in even a larger ratio.<sup>1</sup>

But the great mass of humanity accumulated but

<sup>1</sup> Unless the reader has pondered over the immensity of "two billion dollars," the mere words convey no adequate conception of that vast sum. A few figures are therefore necessary to convey to the mind the meaning of those three small words. Suppose you are an expert in counting silver dollars; that you could count correctly \$60 a minute for eight hours a day. In one day you would have counted \$28,800; in one year of 300 days you would have counted \$5,040,000; in TWO HUNDRED YEARS you would have counted \$1,728,000,000, or \$272,000,000 less than the wealth accumulated by one man during the short space of a lifetime, starting without a dollar. — THE EDITOR.

little more than enough to provide the bare necessities of life during old age, while hundreds of thousands went hungry a portion of the year; for, being skilled in certain employments which gave work but a portion of the time, they were unfitted for other employments, and being improvident, did not provide for the time of non-employment, and with their families, actually suffered for the want of proper food and clothing during such times as they were without work.

This condition of affairs was true in all great cities. Idleness caused dissipation; hunger induced diseases in some, and drove others to commit crimes, so that asylums and prisons were filled to overflowing.

In the rural districts conditions were not as bad, yet there was great unrest among the farming community, for all government lands had passed into the hands of private owners, and the day of providing the grown-up son with a farm at a moderate price had passed. Many large estates had been created, which gave promise of making their owners as powerful as the barons of old.

A system of slavery had gradually crept into some of the states, which resembled the old system of *peonage* of Mexico. If a man became indebted to another, and had no means of discharging the debt except by his labor, the debtor had no choice but to work for his creditor till the debt was discharged. If, as was sometimes the case, the debtor owed more than one man, he worked

for each alternately until the debt was discharged, or he became too old for work, or death relieved him. He was, of course, allowed a certain portion of his wages for the support of his family, but in times of sickness he was worse off than the negro slave, whose master had been bound to care for his chattel in time of distress.<sup>1</sup>

The highways of the country were in a deplorable condition, and fortunes were spent on them each year with little or no lasting results. Farmers living remote from railway stations were seriously handicapped over their more fortunate neighbors who resided near points of shipment, and often were at a greater expense in delivering their products at the railway station ten miles distant, than the near-by farmer was subjected to in shipping his products to market two hundred miles away.

It is true that the country was liberally supplied with steam roads and electric roads, but the conditions of the public highways only served to create jealousies and discontent.

Other conditions also existed, which this report will proceed to show, and explain how it was possible for one man in the short space of a lifetime to accumulate ten million dollars, to say nothing of a hundred millions or two billions.

<sup>1</sup> See Post-statement.



In the development of the vast areas of the country, railroads were a necessity. To encourage capitalists to construct long lines of railroads through territory absolutely uninhabited except by roving tribes of native Indians, the national government had, in an early day, set apart large tracts of land, which it offered as premiums to the builders of railroads through those particular sections. These lands were so vast in extent that they included every other square mile for thirty or forty miles distant from either side of such proposed railroad, and were among the best and richest agricultural, mining, and timber lands in the world.

A few promoters would organize a company to build one of the land grant railroads. The company would be capitalized for the estimated cost of the road, and the stock placed upon the market and sold for what it would bring. Next, a bond issue for the total cost of the road would be floated. The road would be built, and title to the lands transferred to the company. In the hands of its promoters the road would be so manipulated that the stockholders, and sometimes the bondholders, would be frozen out, or settled with at a small percentage of the face value of the bonds. A reorganization would take place in which the promoters and their associates would retain most of the stock, and a new bond issue would be floated.

The building of these long lines of railroads into the

wildernesses of the country opened the way for the settler, the miner, and the lumberman, and soon the roads were taxed to their utmost carrying capacity, and stock which had been worth but a few cents, and which under the reorganization cost the promoters nothing, would become dividend-earning securities, and the price in the open market would go to par, and then to a premium, sometimes amounting to more than one hundred per cent, and the promoters would reap a fortune of hundreds of millions.

There might be a dozen short lines doing a fairly good business with stocks worth fifty per cent of their face value. A company would be formed to buy and merge these short lines into one system, paying therefor in its own stocks and bonds issued against the same property purchased from the small companies. The capitalization of the new company would be two or three times as much as the combined capitalization of the smaller companies had been, but by operating all as one system, and reducing operating expenses, the consolidated company would be able to pay interest on its bonds, and dividends on its entire capitalization. Its stocks would rise in value, and instead of being worth fifty per cent of the face value as the old stocks were worth, would be selling at a premium, and the promoters of the Consolidated Company would gather in a few millions of profits.

A great industry had developed in the United States, which, in 1901, was in the hands of several companies engaged in various branches of the business. A new company was formed, taking over a majority of the individual companies, and paying therefor in its own stocks and bonds secured only by the property obtained in the merger of the various companies. In the merger, the price of the various properties went soaring, and one of the companies received over \$100,000,000 more for its properties than it had offered to sell the same properties for a year before. The amount of bonds received by one member of that company were sufficient to yield an annual income of \$18,000,000; while he received an equal amount of stock that in a few years was worth above par in the open market. Hundreds of men, who had started their business careers without a dollar, awoke one morning to find themselves millionaires through that one deal which had been conceived and consummated within a period of ninety days.

But the most colossal fortune of all, the fortune of the man, who, starting in life without a dollar, required a 2 and 9 0's to represent his wealth, was the result of the man's unlimited genius in organization, and power to make others do his bidding. One of the natural products of the country was coal oil. When first discovered floating on the surface of a river, it was called "Seneca Oil," and was used only for medicinal purposes. But

later its illuminating qualities were discovered, and rich oil fields were punctured with wells which were soon throwing up thousands of barrels of the crude oil hourly. Then it was discovered that by refining the crude oil, a much better illuminant could be obtained, which was called kerosene, and the refining of coal oil, or petroleum, became a leading industry of the oil regions. Hundreds of oil refineries came into existence, and the owners were on a fair way to fortune, when, in an evil day for them, there came among them a man who was destined to control the entire oil-refining industry of the country, by buying out or freezing out all competitors in the business.

Most of them sold to him in the end, but only after a struggle, and then they surrendered at his own terms. That man could dictate to transportation companies as no man before or since has been able to do. The oil business gave railroads an enormous amount of business, and the man succeeded in convincing them that it was to the interest of the railroad company over whose lines he shipped his products to give him a rebate on every barrel shipped by him; and not only that, but the man convinced the same railroad companies that they should pay him a commission on every barrel of oil shipped by his competitors, which they secretly paid for many years. This illegal action on the part of the railroad companies soon gave him such an advantage over all rival compa-

nies, that he was able to dictate the surrender to him of their business on such terms as best suited him to offer. It gave him a princely fortune and made him a dominant factor at the money center of the world. His genius continued to serve him well and his wealth increased and continued to increase, until his investments were such that at the beginning of the twentieth century his interests in various Oil Companies, Transportation Companies, Banks, Mines, and numerous Industrial Companies, approximated \$1,000,000,000 in value, which, as stated, doubled in value in the succeeding ten years. Nor was he the only wealthy man connected with his companies, for there were many of his associates who had been faithful to him and his interests who could count their fortunes by the hundred millions.

And these men were not only all-powerful by reason of their own possessions, but a system of Life Insurance had grown up, whereby they had the manipulation of hundreds of millions of dollars belonging to the policy holders, of which most of the profits went into their own coffers.

There were three companies known as "The Big Three," besides many smaller companies located at or near the great center of wealth. It is not to be presumed that the original promoters of those companies had in mind any such results, when they organized those companies, as were actually experienced, for the results

were the outgrowth of peculiar conditions which came into existence unheralded. The plan of collecting an additional sum from the policy holders for investment purposes, beyond what might be necessary to pay the face of the policy in case of the death of the assured, was not an American invention, but was imported from Italy. The Italian invention was made over and improved, but the main principle of collecting an extra premium was retained. It had two effects. The additional money collected made the companies absolutely impregnable so far as their liabilities to policy holders was concerned, for about the only thing they absolutely agreed to do was to pay the face of the policy in case of death, or a certain portion of it, the amount of which was problematical, in case the premiums were regularly paid for a stated term of years. The other effect was to create a vast sum of money for investment purposes, which was a great temptation to the high-handed manipulators of finance.

In time, these big insurance companies became allied with many of the banks and trust companies of the city, and with the great transportation companies, by having certain members of their boards of directors also made directors on the boards of the allied institutions, so that the whole combination, as it were, was dominated by the same coterie of men, and the vast amount of wealth and ready money under their control made the city of

New York the Mecca for every promoter seeking funds for his enterprise. And as so many resources of the country were awaiting development, there were many enterprises seeking financial aid.

This is how the system worked:—

A company was organized to build an electric railway, we will say, and required \$1,000,000 for construction purposes. A company would be organized which would employ an expert engineer to make a careful survey of the proposed route, and to make estimates of the cost of construction and equipment and probable earnings. From all the data obtained, a carefully drawn prospectus would be prepared, which would show conclusively that the road would be a paying proposition from the day it was put in operation. The promoters armed with the prospectus would go to New York, and, being policy holders in one or the other of the three big insurance companies, would present their plans to the company in which they were personally interested. They had no doubts but what they could readily sell their proposed bond issue and retain the stock for their profits, for they knew something of how railroad companies were built from the sale of bonds, while the promoters kept the stock.

They would be graciously received by the Finance Committee of the Insurance Company which, after making a careful and critical examination of the prospec-

tus, would decline to underwrite the bonds on some pretext or other, and would direct the promoters to some other financial institution which, no doubt, would look favorably upon the proposition and would underwrite the bonds. Still elated with the prospects of large blocks of dividend-paying stocks, and with a letter of introduction, they visited the next financial office. Again, a finance committee went through the prospectus carefully and critically, and when it was finished would say: "Really, we do not know of any firm in the city which would underwrite a bond issue on such a proposition. In the first place, your engineer has underestimated the cost of building the road; and in the second place, he has overestimated the earnings of the road, judging from the tributary population as shown by the prospectus. We thank you, gentlemen, but we can do nothing for you."

This interview would be the first real setback to their hopes, but nothing daunted they would continue their search, and after half a dozen or more like experiences, would finally be directed to a certain broker, who was known to take long chances, and who, no doubt, would be glad to do business with them. As a last resort the broker would be visited, and after the regular routine of examination and criticism of the prospectus he would say, "Gentlemen: You seem to have a good proposition here, taken as a whole."



The hopes of the promoters would go up ninety per cent at a leap.

“I really think you have a good proposition, and I will agree to underwrite your bonds on the usual terms, which are, a discount of fifteen per cent from the face of the bonds, and a bonus of fifty-one per cent of the stock.”

The hopes of the promoters would drop twenty-five per cent instantly.

“Also, before signing a contract of underwriting, my engineer must go over your proposed route and verify the statements of your engineer, for which you must advance the expenses, which are one half of one per cent of the amount asked for, or, in your case, \$5000.”

Another drop of twenty-five per cent in the hopes of the promoters.

“If my engineer verifies the statements made in your prospectus, I will then underwrite your bond issue.”

It was a last resort with the promoters, and there was nothing for them to do but give the broker their check for \$5000, and go home to await the coming of the broker's engineer.

In due time that gentleman would arrive, and, after going over the route, and obtaining all the data possible, and after an elaborate banquet tendered him by the promoters, he would depart for New York, promising that he would make a favorable report.

In the course of time a letter would be received from

the broker saying that, "in looking about to place the bonds," he had "discovered that the proposed electric railway would encroach upon the territory of a steam road owned by my clients, and as they were not in the habit of building up rival lines," he "would be obliged to look up new customers for the bonds." As that would entail an additional expense, he "must ask an additional five per cent discount from the face of the bonds."

The hope meter would again waver.

"Another little matter" also occurred to him, which he had forgotten to mention. He did not like the laws of the state where the company was incorporated, and it would be necessary to reincorporate the company. To reincorporate would cost \$5000; then the preparation of the trust deed and the engraving of the bonds, and the fees of the trustee; really he had forgotten them, also, and they would cost \$5000, which must be advanced.

Now the promoters were not to be scared out at this stage of the game by a paltry sum of \$10,000, for even though they did part with a controlling interest in the stock, yet they would secure the building of the road, and that in itself would indirectly yield them fair profits. So the next mail carried their check for \$10,000 to the broker.

In due course of time, the preliminaries were com-

pleted, the trust deed and bonds duly executed, and the sum of \$800,000 placed to the credit of the company, to be paid out on proper vouchers as certain portions of the work were completed.

Now, what did the broker do with the bonds and the fifty-one per cent of stock?

Did he keep them? The stock, yes; the bonds, no. For he took those bonds, as soon as they came to his possession, to the finance committee of the insurance company which the promoters had first visited, and disposed of them to the insurance company, not at a discount of twenty per cent, nor at par, but AT A PREMIUM OF EIGHT PER CENT. Who received that twenty-eight per cent of profit, and what was done with the fifty-one per cent of stock? The broker had a few silent partners connected with the various financial institutions, who were in on the ground floor on deals of this nature, and who took their portion of the profits.

It was but a system, a preconcerted plan, to educate promoters into a belief that their propositions were worthless, and if they wished their enterprises financed, they must sacrifice a controlling interest in the same.

But the end of the profits of the broker and his silent partners was not yet, nor soon. The road was constructed and put in operation, and by a system of manipulation of its affairs by the majority stockholders, would be forced into bankruptcy and sold for the benefit

of the bondholders. A reorganization would take place, in which the original promoters were left out; the capitalization and bond issue would be double that of the original amounts, but by proper management the road would be made to pay all interest and liberal dividends on the investment. The next and final step would be a sale of the electric road to the steam road company upon whose territory it had encroached, for \$5,000,000.

This is but a fair illustration of what actually occurred in a thousand and one similar cases, and shows how and to what extent the money power, centralized in the hands of a few, could and did absolutely control the destinies of every transportation and industrial enterprise of the whole country; how every move made on the chess-board of finance added millions to the side of the blacks, while the whites were universally checkmated.

Such conditions were a standing menace to the peace and welfare of the country, for it had been discovered in at least three actual experiences, when great panics had swept over the country and wrought ruin and desolation in hundreds of thousands of homes, that they were caused simply and solely by the few men of wealth who dominated the financial interest of the country, and who closed the valves of their cash pipes and stopped its circulation; and, as they were in a position to do so at any time when fancy dictated, no matter how prosperous

the country might be, the threatening cloud of an approaching panic was ever in view of the toiling masses.

Was it any wonder, then, that under such a condition of affairs, the doctrines of Socialism spread over the land? Was it any wonder that theorists were actively working and trying to devise some means of relief for the common people of the country?

Was it any wonder, that under those conditions, when all attempts to better them had failed, the time was ripe for a revolution in the government of the country?

No! The time had come when the people were about to assert their rights, and after a struggle of only three years, the common people had triumphed in the election of 1912, and now, on the 4th of March, 1913, a new order of things was about to be put into force, which the common people knew would be of national benefit, but which the money power considered to be the beginning of the disruption of the government.

## CHAPTER II

### THE DISTRIBUTORS

It is not the purpose of this report to go into the details of the numerous plans that were unsuccessfully tried, but rather to trace the ways and means employed which finally freed the people from the tyranny of accumulated wealth, without destroying or harassing a single industry, and which actually were an immediate help to all existing industries, besides creating many new ones.

It had been demonstrated time after time, that any plan which sought to centralize the industries of the country in the national government, with full ownership and power to control and operate the same, and which was the theory of the Socialists, when put to a practical test, was a failure, for it created such conditions that every spark of ambition was destroyed and all progress immediately checked. The one thing needed was such a system of government as would permit the free and unlimited working of every individual, according to the bent of his own genius and energies; but which would compel the distribution of all wealth accumulated beyond certain limits.

Such was the remedy which was needed to cure the

disease with which the people were sorely afflicted, and it fell to the lot of a young country pedagogue to first enunciate the doctrine that became the slogan of a great political party known as "The Distributors."<sup>1</sup>

This young man was from the Eastern part of the United States, and had seen the evil effects of vast accumulations of wealth. He had gone West, and for nothing better to do had engaged to teach a country school in an old brick schoolhouse in one of the prairie states. In times gone by, this old brick schoolhouse had been the scene of some lively debates over questions of great public concern, and now that the question of dealing with centralized wealth confronted the people, the young man saw an opportunity to revive the old debating society, and enliven the long winter that was before him. Accordingly, notice was sent to all the district, and even to the neighboring villages, that on a certain night a public debating society would be organized at "The Old Brick," which was the popular name by which this particular school building was known for miles around, for the purpose of discussing any and all subjects which might be presented.

The Society started off in good shape and regular

<sup>1</sup> It was likewise the fortune of the great Republican party which dominated the affairs of the country through half a century, to have found its birthplace at a meeting held in a little old wooden building in central Wisconsin, which still exists. — THE EDITOR.

meetings were to be held fortnightly. The meetings soon became popular and were largely attended; many people coming from the neighboring villages, at first more for an outing than for any interest in the debates, but as the old-time debaters became enthused, much interest was taken in the subjects discussed, and it was not long before business men and professional men would gather at the Old Brick to listen to the discussions which took place, and some of the villagers were also induced to take part in the arguments.

At one of these meetings the question for discussion was, "What can be done that will be of the most benefit to the common people?"

As worded, it was not in the nature of a question which had an affirmative and a negative side; but a prize of Five Dollars was offered by the society for the best answer to the question, which was to be discussed by six persons chosen by ballot. These persons were chosen two weeks in advance of the meeting at which the discussion was to take place, and included a lawyer, a doctor, and a merchant, from neighboring villages, two farmers, and the young pedagogue.

The night arrived, and with it a crowd of people which filled the Old Brick to its utmost capacity. The judges included a doctor, a dentist, and an editor from a neighboring city, for it was determined that there should be an impartial decision.



The speakers were limited to fifteen minutes each, and the discussion opened with the argument of the doctor. Each of the speakers won rounds of applause from the audience, and the judges themselves were in a quandary as to who should be awarded the prize, up to the time of the last speaker, who was the schoolmaster.

"Ladies and Gentlemen, and worthy judges:" he began, "What can be done that will be of the most benefit to the common people, is a question that has perplexed the sages and the philosophers of all ages, and it seems to be no nearer a solution to-day than it has been in the past. Yet, to answer the question as it seems to me that it should be answered, I should say, Give them something to do for themselves, and there will be no need of asking what can be done for them. Give every man and woman and child an opportunity to do something, and they will do for themselves. Limit the amount of wealth which a man may accumulate. Disintegrate the surplus beyond that limit, by having the Federal government collect it; distribute that wealth by having the Federal government inaugurate such enterprises as will not come in competition with existing industries, but which will give employment to the unemployed at remunerative wages. Do not destroy a man's ambition, nor stifle his genius by saying to him, 'So much you may do, but no more.' Do not check the progress of the country by destroying the spirit of

progression; but say to the man, 'Work with all thy might and with all thy genius and power; accumulate all the wealth that it is possible to accumulate by fair and honorable means; but beyond the needs of yourself and family, giving you every luxury that you can possibly use, the surplus shall be for the benefit of your more humble and unfortunate fellow-men, to be distributed in such way as the government may dictate.' Not that it shall be given them without compensation, but that it shall be used in compensating them for such labor as may be required in adding more wealth to the country. For all wealth is but the creation of labor and all well-directed labor creates additional wealth. Do not destroy present industries by establishing others in competition with them, but inaugurate such new industries, that, while being noncompetitive, yet shall be wealth-producing, and which will stimulate all existing industries. Build country highways. Improve those that are built. Eliminate the slums of the cities. Construct coast defenses. Yes, there are hundreds of ways for distributing the surplus wealth of the country that will redound to the benefit of the people at large as well as to the common people; ways which will annihilate poverty, destroy vice and misery, yet stimulate the genius of mankind to greater things and increase the sum total of our national wealth. Do not limit the amount of wealth which a man may accumulate, but

limit the amount which he may dispose of, for beyond his personal and family wants he should hold his accumulated wealth as trustee for the people to whom it rightfully belongs as its creators. A man cannot take his wealth with him when he dies; allow him to provide a suitable sum for the proper maintenance of his surviving family, and let the surplus go to the government to be distributed among the people along the lines I have indicated. Establish a government that will do this, and you will no longer ask, 'What can be done for the common people?'"

The argument was along new lines. It was original. It was simple. Yet no one had ever advocated it before. When he had concluded, the judges retired for a moment and returned to announce that they had unanimously awarded the prize to the schoolmaster, whose answer to the question under discussion admitted no second choice. The effect was like an electric shock, and when the people were through cheering, the lawyer who had taken part in the discussion moved that the schoolmaster's argument be published by the editor who had acted as one of the judges, and the motion was carried with a yell.

The editor published it in the next issue of his paper, and commented upon it in most flattering terms in his editorial columns.

It was copied by other city papers which used the

subject for leading editorials ; and soon the people of the entire country were talking of the young pedagogue's idea of limiting the amount of wealth which a man might dispose of, though he might accumulate it to his heart's content.

"Limit, Collect, and Distribute" became the subject of discussion at every club, at every hotel, in every grocery, and on every train. It caught the attention of the public with greater approval than any sentiment uttered since the days when "Down with Slavery" roused the country to arms, which resulted in freeing 4,000,000 human beings from the bonds of slavery.

Clubs were formed, calling themselves "The Limits," "The Collectors," or "The Distributors," and the slogan of a new national party which sprang into existence, calling itself "The Distributors," was "Limit, Collect, and Distribute."

"The Distributors" rapidly gained strength, and the spark generated at the Old Brick on that winter night, as a spark from the contact of flint and steel, burst into a flame which spread over the whole country, from East to West and from North to South. Only the immensely rich were opposed to the cry, but their numbers were so small compared with the whole population, that their opposition cut no figure with the onward advance of the new political force.

Old party ties were disrupted, and Republicans and

Democrats, Socialists and Prohibitionists, flocked to the party of The Distributors, for they recognized in its principles the salvation of the country from a great impending calamity.

The first general election held after the organization of The Distributors was in 1912. Full party tickets with candidates representing The Distributors, were nominated, including every state and county office, legislators and presidential electors, in every state in the Union. And when the votes were counted on that November night, for the first time in the history of the country since the days of the Civil War, there was a united North and South. Every person whose name appeared as a candidate of The Distributors had been elected, and in every city, and in every village, and in every hamlet and at every country crossroads, from the Atlantic to the Pacific, and from Canada to Mexico, there was universal rejoicing over the first victory of a bloodless revolution.

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## CHAPTER III

### THE LIMIT OF WEALTH

To those familiar with the system of government in the United States in 1912, which required the members of the upper house of Congress to be elected by the legislatures of the several states, and of which only one third were elected each year, it may seem absurd to say that The Distributors gained control of both houses of Congress by the election of that year. But that such was the case is a fact, and it came about in this way: In every state where there were to be senators elected during the winter of 1913, particular attention had been paid to carrying the election for members of the state legislatures and, as we have seen, The Distributors were successful. This insured the election of one third of the United States senators from the ranks of the new party. A canvass had been made of the hold-over Senators, and more than one third of the whole had announced themselves satisfied with the platform of the party, and had announced their intentions of voting with the winning party; so when it was known that the election had been carried by The Distributors, it was equally well known that the new party would control both houses of Congress.

The platform adopted by The Distributors early in the campaign contained the following planks, which they pledged themselves to stand upon:—

“First: The creation of a Department of Public Wealth.

“Second: To limit the amount of wealth which a person might dispose of without restriction.

“Third: To collect from every person at death all accumulations of wealth beyond the amount permitted to be held by the estate.

“Fourth: To provide for an income tax, to be so graduated that it would apply to all persons whose income exceeded \$1000 per year.

“Fifth: To coöperate with the several states in levying such income taxes.

“Sixth: To provide for the Distribution of the Wealth collected by the Department of Public Wealth, by inaugurating such public works as would not compete with existing industries, but which would help all existing industries and increase the wealth of the Nation.

“Seventh: To enact such laws from time to time as might be necessary in carrying out the details of the party platform.”

Hence, under such platform, it became the duty of the new party to put the wheels of government in motion as speedily as possible after the 4th of March, 1913, which

it did by enacting its first law creating the Department of Public Wealth, the Secretary of which became *ex officio* a Member of the President's Cabinet.

The Department of Public Wealth was divided into two Bureaus: the Bureau of Collections, which had charge of collecting such estates as fell under the new laws, and the collection of the Income Taxes; and the Bureau of Distribution, which had charge of distributing the Public Wealth under such laws as Congress might from time to time enact. Each Bureau was divided into Drawers, each Drawer having some specific work to attend to. Thus, in the Collection Bureau, the Drawer of Estates looked after all estates coming within its jurisdiction, and the Income Tax Drawer had full charge of the Income Taxes. All collections made by the Bureau of Collections were turned over to the Bureau of Distribution. This Bureau was subdivided into the Drawer of Industry; the Drawer of Charities; the Drawer of Insurance; and the Drawer of Education; and other Drawers were created as the same became necessary to carry on the great work of this Bureau.

The second plank of the platform required much argument and deliberation, and it was several weeks before a bill was drafted which met the approval of both branches of Congress and the Executive. When such bill became a law, it contained the following provisions, which were the foundation stones of the whole



theory of government as advocated and put into effect by The Distributors: —

“First: No man should be restricted in his business, so long as he obeyed the laws of the country; nor should he be limited in the amount of wealth which he might accumulate.

“Second: The wealth which a man accumulates does not belong to him, absolutely, for its creation is by the labor of the public, and beyond what he needs for himself and family, all accumulations he may hold only as trustee for the creators.

“Third: As such trustee, a man may not dispose of his accumulated wealth at will, for it is not his to so dispose of; but, as the accumulator of great wealth must of necessity be a man of ability and great genius, it is conceded that he should be allowed the free use of ALL his accumulations during his lifetime.

“Fourth: When a man dies, he can take nothing with him to the world beyond, and after disposing of a certain amount of his estate for the benefit of the surviving members of his family, he should direct his executor to return the surplus, if any, to the sources from whence it came.

“Fifth: The wealth which a man may dispose of during his lifetime should be limited to the immediate members of his family, and in no case to exceed the sum of \$5000 per year to any one person.

“Sixth: The amount which a man may dispose of by his last will and testament is limited to the sum of \$200,000 to his widow; \$50,000 to each of his children; and to such other persons as he may select, the sum of \$10,000 each, providing that the aggregate sum so disposed of is limited to the sum of \$1,000,000.

“Seventh: All gifts to colleges, hospitals, or public charities, is strictly forbidden.

“Eighth: A sum not exceeding \$1000 per year may be given to any church society as desired, providing that the aggregate sum of such gifts from all sources shall not exceed the sum of \$25,000 per year.

“Ninth: All property accumulated by any person in excess of \$1,000,000, shall, at his death, pass to the Department of Public Wealth of the Federal Government.

“Tenth: For the purpose of collecting such surplus wealth it is provided that a Federal Administrator shall be appointed to act in conjunction with the Administrator or Executor of every estate coming within the limits of the law. When a man dies, whose estate consists of more than \$1,000,000, it becomes the duty of the Court having jurisdiction over his estate to report to the Federal Government the amount thereof, and the Federal Administrator will immediately look after the interests of the government.

“Eleventh: There is hereby created a special Probate

Court, which shall have exclusive jurisdiction over all parts of estates exceeding the sum of \$1,000,000."

Such, in brief, were the principal features of the original law enacted by The Distributors for the limitation of wealth. In determining the several features, it was mutually agreed that the church should be liberally but not excessively supported, for as every man was at liberty to worship God after the dictates of his own conscience, the government had no desire to prohibit the making of gifts to the church. But, for the education of the people, for the care of the poor, and other charitable purposes, to prevent the centralization of large fortunes in certain charitable and educational institutions, it was determined to prohibit all gifts, either directly or indirectly, to any but church organizations.

For the purpose of making every individual self-sustaining as far as possible, it was decided that no man might give to the members of his family a sum exceeding \$5000 each per annum; yet, while he lived, having full charge of all his accumulations, he might enjoy them to the utmost in providing for himself and family every luxury that might contribute to human happiness.

That when he came to die, knowing that the amounts which they would inherit would be limited, the members of his family would not be in that dependent condition so often found where fortunes are waited for without

an effort to accumulate wealth for one's self. That the sons of rich men would come to understand that they must help bear the burdens of life, and not become the pampered pets of society fit only to squander the wealth of others upon "monkey dinners" and "cutty sarks."

The law limiting the amount of property which a man might dispose of by will was not without precedent, for the Code Napoleon limited such disposition to one half the descendant's estate, while the other half reverted to the government.<sup>1</sup>

No doubt, the multimillionaires looked for some such method of distributing their fortunes, but when the new law was published, it was so much more radical than they expected, that they were not all prepared for the shock which it gave them.

The idea ! A man with a thousand million dollars of property, and no right to dispose of more than one one thousandth part of it ! It was ridiculous, absurd, and would never stand the test of the Supreme Court an instant !

Such were the ejaculations of the plutocrats, or of some of them, for in some instances the news of the new law proved such a shock that more than one of them died of heart failure, without time to dispose of even the one million dollars which the law permitted.

<sup>1</sup> See Post-statement.

As was expected, test cases were made of the new law of limitation, and all the legal talent of the country was arrayed on the side of plutocracy. But the people were supreme. The theory of the government was, that it derived its just powers from the consent of the governed, and as the people had overwhelmingly indicated the duties of the government, there was nothing for the Supreme Court to do but to sustain the law upon every point.

“The doctrine that ‘wealth is the creation of labor, and he who accumulates more than he needs for his own use is but the trustee for its creators,’ is sound logic,” said the Chief Justice who wrote the opinion, “and so long as he is not disturbed in right of his full enjoyment of it during his lifetime, he may not complain if the people demand an accounting of his trusteeship at time of death.”

And what was best of all, the final decision was obtained within two years after the enactment of the law, which established a new precedent for the courts of the country.<sup>1</sup> §

But the party in power had confidence that the law

<sup>1</sup> See Post-statement regarding the rights of the people.

§ An interesting case showing the law's delay may be found in the United States Supreme Court Reports. It is that of Myra Clark Gaines, who sued to recover certain interests in lands. The case dragged along through various courts and through six generations of judges before a final decree was rendered. — THE EDITOR.

would be upheld, and during the interim of two years had completed an elaborate system for putting into operation the various Drawers of the Department of Public Wealth, though up to the time of the final decree of the Supreme Court, not a single dollar had been collected by either Bureau of the Department. But deaths had occurred among the immensely rich, and death had come to the man of the 2 and nine o's; so that there were approximately Ten Billion Dollars waiting to be collected by the Bureau of Collections. In each case the details of administration had been complied with as provided by the new law, so that only the act of final settlement remained; and as soon as the decision of the Supreme Court was received, the transfer of stocks, bonds, and real estate amounting to that immense sum was made to the Federal Government.

## CHAPTER IV

### THE DEPARTMENT OF PUBLIC WEALTH

THE Department of Public Wealth, as before stated, had its own Secretary, who was a member of the President's Cabinet.

It was divided into two Bureaus, and each Bureau into Drawers, each Drawer having its own especial work to attend to.

It had three general commissioners, while each Bureau had its own chief, and each Drawer was under the direction of three assistant commissioners.

The work of collecting estates was the simplest work of the Department. When a person died, his estate was probated in the regular manner; as soon as the inventory had been filed in the proper court, if the inventory showed the estate to exceed \$500,000, a certified copy was sent to the Department of Public Wealth. A Federal Administrator, appointed by the Commissioners of the Department, was sent to coöperate with the representatives of the estate and an appraisement of all property made. If the appraisement fell below \$1,000,000, the Federal Administrator gave a Certificate of Release, and the regular representatives

closed up the estate according to the will of the deceased, or according to the laws of the state, if the party died intestate.

If, however, the appraised valuation exceeded \$1,000,000, the Federal Administrator applied to the Federal Probate Court, which had jurisdiction of such part of the estate as was in excess of \$1,000,000 for administration of such excess. If that excess were only a comparatively small amount, the heirs might pay to the Federal Government the amount of the excess, in cash, and retain the estate intact. But where the excess was large, the heirs might demand that the sum of \$1,000,000 be paid them by the Federal Government in cash, in which case the Federal Probate Court took charge of the entire estate.

When the government took possession of all or any part of an estate, its disposition depended upon the kind of property constituting the estate. If it consisted of stocks, bonds, mortgages or other negotiable securities, they passed directly to the Bureau of Distribution. If there were real estate, the title of which was not in a corporation, and which produced an income from rents, the real estate was sold by the Federal Government and the proceeds turned over to the Bureau of Distribution. If the real estate were non-income producing, but was in the nature of a park or forest preserve, such as were formerly owned by men of great wealth, the same would



be converted into a public park, to which the people could have free access, a privilege which had been denied them by a decree of the United States Supreme Court, so long as the property remained under private ownership.

Any property, not a negotiable security, and not represented by the stock of a corporation, but which was connected with any industry, was disposed of by the Federal Government and the proceeds accounted for to the Bureau of Distribution.

The reason of this was that the Federal Government wished to take no part in any business enterprise, but to leave all industries in the hands of those who were experienced in their management and control; and while the government took possession of the shares of a corporation, yet in so doing it forever relinquished the right to vote the same, or to take any part in the management of the affairs of the corporation, and thereafter such stock was represented *pro rata* by the vote of the active stockholders.

All Securities, Deeds of Public Parks, and proceeds from sales of property passed directly to the Bureau of Distribution, there to be apportioned to the several Drawers. But as it was impossible to make an actual distribution of the Public Wealth not represented by real money, such wealth was hoarded, and in its place, and to an equal amount in face value, there were issued

“Public Wealth Certificates” which came to be popularly known as “Property Notes,” which were used as, and which to all intents and purposes were the same as, money, and constituted a full legal tender.

These Property Notes were issued in denominations of quarter dollars, half dollars, dollars, five dollars, ten dollars, fifty dollars, and one hundred dollars, and passed current in all countries of the world on a par with gold, for they were even better than gold, in that back of them was an equal amount of wealth-producing securities, which were constantly maintaining their own par value, while gold had no earning power of itself, and its intrinsic value depended upon its own fluctuations in the markets of the world.

As the interest or dividends was paid on the substituted securities, if their appraised value had decreased, the loss was made up by retaining a sufficient amount of the earnings to maintain the appraised value of the securities until their own values increased, or other securities were substituted for the cash earnings so retained. By this method the Property Notes in circulation were at all times represented by an equal amount of wealth-producing securities or actual cash, which made them the best, the safest, and the most convenient forms of exchange ever devised. If one were partially destroyed, or entirely lost, and proofs of same could be furnished, they could be renewed the same as

other forms of paper money. When bonds were paid in full, the money was retained until other bonds were received to replace the money.

The Property Notes were never redeemable, but the Bureau of Distribution was obliged to publish a detailed report every ninety days of the property represented by the outstanding notes, and its appraised value, and if there were a difference between the appraised value and the outstanding notes, to the bad, the report had to show a deposit of cash to balance the deficiency; but if the property showed a value in excess of the outstanding notes, no credit was taken for the excess. These statements were widely published, so that the public at all times was thoroughly informed as to the backing of the Property Notes.

The putting into circulation of such a vast amount of additional currency did not inflate the currency proper, nor depreciate the value of the regular mediums of exchange of the country. It was a simplified method of making interest-bearing stocks and bonds the subjects of convenient barter and exchange between individuals by means of a substitute which had all the requisites of a perfect legal tender.

The Income Tax question was greatly simplified by the Income Tax Drawer, and instead of making "a nation of liars," as its opponents argued, it made them a nation of bookkeepers.

It was early conceded that every person should contribute some certain amount to the Fund of Public Wealth, which amount should be based upon his income, with an increasing ratio for the larger incomes. The ratio as finally fixed provided as follows:—

Every person of adult age should contribute at least \$1 per year.

Every person whose income, gross, was more than \$1000 and less than \$2000 per year, should pay a tax of \$2 per year. If his income were between \$2000 and \$3000, he should pay a tax of \$5 per year; if his income were between \$3000 and \$5000 per year, he should pay a tax of \$10 per year; with an income between \$5000 and \$10,000 per year, he would pay a tax of \$50 per year; and between \$10,000 and \$25,000 income, his tax would be \$500 per year. Between \$25,000 and \$50,000, the tax was \$2000 per year; and between \$50,000 and \$100,000 the tax was \$5000 per year. Beyond \$100,000 annual income, the tax would be twenty-five per cent of the gross income plus \$100 for each additional \$100,000. Thus, the man whose gross income amounted to \$10,000,000 per year, would pay an income tax of \$2,510,000.

For the purposes of collecting this tax, the country was divided into Districts much the same as it had been divided for the collection of internal revenue taxes, except that the Districts were much smaller. Each

District was in charge of a collector who had as many deputies as necessary to make the rounds of the District at least twice a year.

The manner of determining the amount a person was liable to pay was this: Every person was required to keep an account of every transaction between himself and every other party. At the end of six months he made affidavit of the amount of his gross income, and where the same exceeded \$5000 per year, he was required to furnish a balance sheet showing his transactions with every firm or individual with whom he had done business. The taxes were paid to the deputy collectors, and up to incomes of \$5000 the affidavit was sufficient, for it was thought best to put every one on his honor, and that no one would perjure himself for the sake of saving two or three dollars; but for the larger incomes, the balance sheets were sent to the Income Tax Drawer, which conducted a kind of clearing house for the big firms of the country, and if there were any errors which would change the amount of tax to be paid, they could be easily detected. If an error were detected, and there was evidence that it was intentional, the delinquent was put upon his proofs, and if adjudged guilty, he was assessed a fine equal to ten times the amount of the tax he had returned. If the error was purely clerical, he was notified and given an opportunity to correct it in his next report.

All corporations paid income taxes, but the ratios were different from those fixed for individuals and different from each other. Transportation companies paid five per cent of their gross income, while industrial corporations paid upon their net incomes before dividends were declared according to the ratio of profits to the investment.

A person or corporation whose property was non-producing, but which had an intrinsic value, paid on the increase in value, if any, and if there were no increase in value, he paid but the individual tax of one dollar per year.

It might be supposed that the Clearing Department of the Income Tax Drawer would be swamped in trying to trace the millions of transactions between the hundreds of thousands of firms which came within the rule of the Drawer. But the system was very simple. In making report to the government, only the totals of transactions were given in the balance sheets. Each balance sheet had to cover a period of six months, commencing on the first day of January or the first day of July. If A had trafficked with B, the balance sheets of the two parties, if correct, would show the same totals; and it made no difference whether A lived in Boston and B in St. Louis, or both lived in Kalamazoo, the two balance sheets would finally come together and one would verify the other. If A lived in Chicago and B lived in

London, settlements would have to be made through a Port of Entry Office, whose reports would take the place of B's for the purpose of verifying the report of A.

As no one would be justified in making an affidavit of his actual gross income, except as shown by a properly kept book account, even though it made no difference in the amount of tax he would be required to pay, he would get into the habit of keeping accounts of all transactions, so that, as stated, it made a nation of bookkeepers instead of a nation of liars.

The Income taxes were paid directly to the Bureau of Distribution and apportioned as needed to the various Drawers.

Such was the system adopted by the Department of Wealth for collecting its billions of wealth for distribution among the people, and its system of distribution will now be taken up by this report by giving the workings of each of the various Drawers in detail.

## CHAPTER V

### THE BUREAU OF DISTRIBUTION

WITH Ten Billions of Dollars of wealth in its vaults, the Bureau of Distribution had no small task on its hands.

Never before in the history of the world had there been such an aggregation of real money waiting to be paid out. And every dollar must be so used that the wealth of the country would be increased, while the parties receiving it would be directly benefited in receiving it, and no others injured in their business.

There were many advisers as to how this should be done; some practical, others wholly impractical. Years before, a great National Boulevard, two hundred feet wide and stretching from the Atlantic to the Pacific, had been planned, to be paved the entire distance and with rows of trees on either side separating the sidewalks from the vehicle portion; and now this scheme was revived as being one that would give employment to thousands of people; one which would stimulate every other industry, and one which would be of national importance.

The scheme was given due consideration, and the



Department decided that while such a boulevard would be constructed later, the first undertaking would be the permanent improvement of the country highways, which would benefit most people and add most wealth to the nation, and the first appropriation from the Public Wealth was the sum of Five Billion Dollars for the improvement of the rural roads of the republic.

For the purpose of taking charge of that great undertaking, a subdivision, or Drawer, was created, called the Drawer of Industries, which subdivision had charge of all industrial schemes carried on as a means of distributing the Public Wealth, and to this Drawer was credited the first appropriation made by the Department.

The second appropriation was allotted to charities, and a second subdivision, called the Drawer of Charities, was created and credited with \$500,000,000. The work to be carried on by the Charities Commissioners embraced the elimination of all city slums, the correction of the sweat-shop evils, and the relief of all indigent people, which practically meant the wiping out of every Poor House in the land, for it was considered a disgrace to the Nation to permit such an institution as a Poor House to be tolerated in its system of economics.

The third undertaking, and which was considered of the greatest importance, was that of Insurance. There were great objections to all forms of existing personal

insurance, whether managed by stock, mutual, or fraternal organizations.

The theory of personal insurance was to benefit the insured, directly in case of accident or disease ; indirectly in case of death, by providing a competence for those dependent upon him during life. And while a system of insurance undertaken by the government would come in competition with a large class of the population of the country engaged in personal insurance, yet as the proposed system would supersede all existing companies, there would be none the less work to do, but even more, and there would be employment for all ; the only ones who might have real cause to complain being those officials and General Agents who were drawing salaries and commissions in excess of the pay of the President of the Commonwealth itself, which the Department considered to be a great injustice to the policy holders. Aside from those considerations there would be no departure from the principles of The Distributors in centralizing the Insurance Industry in the hands of the government, and as every adult person was liable to pay an income tax, even though it were but a dollar a year, the government was in duty bound to furnish protection to all of its citizens, not in proportion to the taxes they paid, nor the wealth they possessed, — for in theory one life was entitled to the same protection as another, — but the government must provide an insurance

fund applicable to all its citizens in like amounts. While the great companies were carrying risks in excess of the amount which the law permitted a man to dispose of, Congress, by a special act, provided that all forms of personal insurance should pass to the control of the Department of Public Wealth.

While the existing companies were glad to get good healthy risks, men who were in no need of insurance, the person actually in need of insurance might be unable to get any at all.

"We do not reject a man's taxes because he is physically weak," said Congress, "therefore we should see that he is provided with insurance, and we should so equalize the amount paid on a single life, that all people may be benefited by public insurance."

Therefore the Drawer of Insurance was created as a subdivision of the Bureau of Distribution, and all forms of personal insurance by private companies or individuals thereafter were prohibited.

The matter of Education was deemed the next in importance for the Department to consider, for while the nation at large throughout its several states was well supplied with common schools; and while there were numerous colleges and universities which had been especially endowed by private individuals, — there was lacking that system which would give an equal opportunity to all rising generations to secure that liberal

education which they were entitled to and which they were in duty bound to obtain. What was needed was an opportunity for the student who lacked the means for attending a college or university, to be able to do so, and without having his faculties stunted by poverty staring him in the face. As it frequently happened that bright students dropped out of school after receiving a common school education, when, if opportunities had been afforded nearer home, they would have obtained a higher and more practical education, and thus have become more valuable citizens to the republic, it was determined that the whole school system should be revolutionized, so that every school would fit its students for entering any college they might select. And it was further determined that colleges should be established accommodating a limited number of pupils, but that no more than one college should be established in the same city, for the idea of great universities was not looked upon with favor, nor should such colleges be located nearer each other than ten miles.

And for this work the Drawer of Education came into existence with Five Hundred Million Dollars to its credit.

Other works planned to be taken up later on were those of Coast and Border Defenses, Canals and Harbors, and the development of the nation's Island possessions.

But so much work had been outlined already that it was questionable whether all departments could be carried on at the same time for want of necessary laborers.

The Bureau adopted certain rules which applied to all its Drawers alike. No one but a citizen or partially naturalized citizen of the United States might take advantage of the benefits to be derived from the distribution of the Public Wealth. Congress had taken upon itself the task of overhauling the immigration laws, and had made radical changes. No person was allowed to enter the United States for the purpose of making a home without first having declared his intention to become a citizen of the United States. After a residence of one year he could offer proofs of the same and that his intentions to become a full-fledged citizen still held good, and he was then entitled to share in the distribution of the Public Wealth, for although not yet a full citizen and entitled to vote, yet he was subject to all the laws of taxation and to the limitation of the amount of wealth which he might dispose of himself, and therefore he was justly entitled to share in the government's distribution of the Public Wealth.

Any person who had not so declared his intentions to become a citizen, and who persisted in remaining in the United States, was subject to arrest and deportation.

Nor was any person allowed to declare his intentions

of becoming a citizen of the United States, who did not possess proper credentials from the country from which he came, showing him to be a person of good moral character, who had never been convicted of crime, and who was able to read and write in his native language.

Any person of foreign birth not having these credentials, who attempted to engage in any business in the United States, was also subject to arrest and deportation.

The restrictions against Chinese immigration which had existed for many years were removed by a special treaty with China, which provided that any native of that empire emigrating to the United States should relinquish his allegiance to China, and should take the oath of allegiance to the United States; should bear the proper credentials; and should give a bond in the sum of \$100 that he would not engage in any competitive labor at a less price than that charged by American workmen for the same labor, a violation of which agreement worked a forfeiture of his bond and made him subject to arrest and deportation.

Consequently, under these rules, which were in conformity to the acts of Congress, no foreign-born person could be employed in any work carried on under the direction of the Bureau of Distribution, unless he had resided within the United States at least one year, and had twice declared his intention of becoming a fully naturalized citizen thereof.

Another rule provided that no citizen who applied for work should be refused, but should be given such position as he might be able to fill, though able to work but an hour a day.

Heads of families should be employed as near home as possible, but where necessary to transport workmen from one part of the country to another, if expedient, the entire family should be transported.

The same rules applicable to men and boys applied to females as well.

In carrying on any work where five or more men were employed, arrangements should be made to board and lodge the men in suitable barracks or tents, which should be under the care and supervision of a competent person.

By arrangement with the several states the Federal Government took charge of all convict labor in consideration of the work done upon the highways of the several states, and in the employment of convict labor, all able-bodied men were to be employed upon the public highways, but so segregated that not more than two convicts should be placed in any one crew. The wearing of striped clothes by convicts was prohibited, as tending to have an injurious effect; and all convicts were to be dressed as other workmen in the same crews.

But more will be said upon the subject of convict labor in a subsequent chapter, for the new system of

dealing with the criminal classes accomplished more reformatations than were possible under the old system of confining several hundred convicts in the same prison or reformatory.

The wages to be paid were to be the highest wages paid by any industry requiring a similar class of services, but no higher, for it was not intended to create such conditions as would foster strikes among employees of private enterprises.

Wages were to be paid weekly.

Beyond these few general rules each Drawer had the making of its own code of procedure for carrying on the works under its jurisdiction.

This report will now take up the work of these several Drawers: show how each carried out its plans; what effect the work had on existing industries; how the wealth of the country continued to increase; how the conditions of society were bettered in every way; how the race question and the labor questions were settled; and as nearly as possible will describe the details of carrying on those great works which made the Great American Commonwealth at once the most powerful and most pacific nation of all history.



## CHAPTER VI

### THE DRAWER OF INDUSTRIES

FOR years before The Distributors came into power, the conditions of the country were greatly disturbed by the demands of labor. In some instances strikes occurred which were justifiable; but with a large percentage of them, the cause was not only unjust and unreasonable, but absolutely wrong, and the honest striker and his family suffered for what he could not avoid.

That laboring classes should join forces for self-protection was but the outgrowth of the system which permitted the unlimited accumulation of wealth. The laborers were the creators of that wealth. It became centralized, and centralized wealth was often a hard master. Hence there came into existence a combination of forces among the workers of a particular trade or calling, for the purposes of mutual protection against the forces of centralized wealth. So far, the organizations of labor were just and reasonable; and when the employer was trying to put all the profits of the business in his own pockets, which he increased by squeezing the wages of his employees down to the lowest notch,

and so low that they could barely subsist upon them, it was their right and duty to strike for the protection of themselves and their families.

But when an employer was not making extraordinary profits, and was paying liberally for the services of his men, if he saw fit to discharge certain workmen for inefficiency, for a strike to occur for such cause, which was not an infrequent occurrence, was all wrong, and injured the cause of labor.

Or, if certain men did not belong to the union and a strike occurred among those who did, because the non-union men were not discharged, another great wrong was committed against both the employer and the non-union man; it did not gain the sympathy of the public, and was a menace to the rights and liberties of an American citizen.

But with the advent of the new order of affairs in the government of the nation, Congress declared that, "Whereas it is the purpose of the government to deal out justice and equality as far as human needs and demands may permit, yet it will not sanction a strike or lockout for any cause."

It was further declared that, "Whenever there arises a cause for which a strike has heretofore been the remedy, notice of such cause shall be given to the Drawer of Industry, which shall forthwith proceed to investigate the cause of complaint. If it be a ques-

tion of insufficient compensation for the services rendered, and the business can afford to pay higher wages, the difference between the wages paid and the wages which should be paid shall be ordered paid forthwith, and may be computed for services rendered in the past not exceeding one year. If it be found that the increase in wages asked for is not warranted by the profits of the business, and the workmen are unwilling to continue at the old scale of wages, they shall first give the employer thirty days' notice of their intention to quit his employ, that he may fill their places, if possible, without being compelled to shut down his works."

As the Walking Delegate had been the cause of many of the unnecessary and wrongful strikes, he was declared to be a public nuisance and was subject to arrest and punishment by being committed to hard labor.

As the knowledge gained by the Bureau of Income Taxes from the reports of every great industry was very complete, the Drawer of Industry always had at its command full knowledge of every business in which a strike might happen, and so was in position, when appealed to by the laborers, to give a quick decision upon the merits of the appeal.

If an increase in wages were ordered and the employer refused to comply with the order, he was subject to arrest and punishment for contempt.

These wise provisions effectually settled the strike

question so far as wages were concerned ; and so far as labor unions were concerned they were abolished by law, as being an unlawful combination to secure certain rights which they denied to others.

And with the labor question practically settled in advance, the Drawer of Industry was free to go ahead with the work mapped out for it.

As its first great work was to be the improvement of the rural highways, the Drawer established schools of instruction in every state where students were taught the art of road building. Each state had as many schools as necessary to instruct a sufficient corps of road builders to take charge of the work in the field. The most competent instructors in the world were obtained, and as an inducement for enough competent men to take this course of instruction, a premium of One Thousand Dollars and expenses while attending the school was offered to each of five applicants in every county. Each applicant was required to prepare a topographical map of his county, showing all roads, rivers, villages, cities, swamps, hills, ledges, and character of soil and the location of gravel beds, so that the instructors might give the students of each county such special instruction as needed in developing the highways of each particular locality. If there were more than five applicants, the five who produced the best map, and who showed the most talent for road con-

struction, were awarded the prizes, while the other applicants might take the course of instruction at the expense of the Drawer.

These schools not only thoroughly taught the science of road building in all its branches, but they taught the students how to care for the men who were working under them.

The schools were invariably located in the most out-of-the-way places obtainable, where the highways were in the most primitive condition and where instruction could be given by actual work in the field.

A few of the general principles taught were as follows:—

Except where impossible by reason of some natural obstruction, all highways should run on straight lines and cross each other at right angles.

Where existing highways ran diagonally or zigzag through a man's property, the proper town authorities should relay the highway so as to conform to the above rule.

Thorough drainage should be provided for in all cases, no matter what kind of soil or roadbed was under consideration.

That as far as possible hills should be cut down and the earth used in filling the low places.

That all roads should be covered with macadam or crushed rock varying in thickness according to the soil through which the road was constructed.

All roads should be so thoroughly built for the full width of the highway, that they would stand the traffic of half a century without repairs.

With these few general principles, each county was treated separately, for many conditions in one county would require entirely different methods from those in an adjoining county.

These schools were unlike any others ever before heard of, and a description of one is of interest to all.

They were not conducted in school buildings, but the instruction was all carried on in actual road making, so that every day of instruction added so much to the completed work. The students, male and female, — for there were certain duties for women to perform in the great work, — resided in portable barracks. A complement of these portable barracks for a school were just what were required for each crew when actual work began by the government, and comprised the following: a kitchen, a dining room, a reading room, an amusement room, a dormitory for single females; one for the single men, and one for men and their wives; also a laundry, and a bathroom. These barracks were mounted on low trucks, equipped with storage batteries, and could be moved at will. They were so constructed and equipped as to furnish all the comforts of a home, which they were to be to many during several long years of work. A school consisted of

twenty-five men and as many women. The women had charge of the cooking and serving of meals; the care of the dormitories and laundry; care of the men's clothes; kept the time of the men, and made requisitions for all supplies. A course of instruction included six months' work by the student, at the end of which time he was competent to take charge of the work of a whole county.

While it would seem that such an outfit as used for the schools would be altogether too elaborate for the crews of hired laborers, yet it must be remembered that the work of road building was not a private enterprise for the purpose of profit, but a public enterprise for the distribution of the Public Wealth among people who were to come from all classes and walks in life; people who had never had the advantages of a liberal education nor the comforts of a home; and while the wealth was to be distributed among them as compensation for services rendered, yet the government also had in view the general betterment and uplifting of those people while the era of road making was in progress.

The barracks were constructed for the various climates in which they were to be used, for work was to begin simultaneously in every county in the Union.

In order to understand the magnitude of the work and the details thereof, this report will select a certain county as a type of what was done in every other county,

and follow through the actual workings of the scheme. We will select a county in central Wisconsin. It was an agricultural county of varied resources. Its dairy interests were great, and at one time its potato crop was of such superior quality and bulk that it controlled the potato market of the nation. It was also a manufacturing county and had numerous streams affording an abundance of water power, which, as the country grew older, and the price of coal became dearer, were utilized to their fullest capacity in developing electrical energy, which was transmitted to various points which became manufacturing centers.

It possessed immense granite ledges of every shade and quality, and its sandstones and marl and peat beds were among the richest in the world. Nor was it altogether a commercial county, for it had within its borders numerous lakes and springs which were ideal resorts for people on pleasure bent during the hot days of summer, and every season, people from the torrid South flocked to these rural retreats in great numbers.

Its soils varied from the richest black muck to the purest white sand, which in a windy time could not be held in place even by a mortgage.

And yet this county so rich in natural resources, and so rich in commercial products, possessed a network of the most abominable highways imaginable. There had been enough time and money and energy spent



on them to have made them among the best in the world ; but those who had had charge of the work did not understand the first principles of road building, and after a single winter of freezing and spring thawing, they were in no better condition than before the work was done, and during the wet season of spring, in many places, even on main traveled roads, vehicles would sink to the hubs. In the dry season, certain portions of the sand sections were in such condition that teams and vehicles would wallow in dust and sand a foot deep.

The scheme of work called for the straightening of all zigzag and angling roads as far as possible, which was done by the authorities of the several towns. If, in straightening a highway, it left a dwelling far removed from the new location of the tributary highway, the buildings were moved if desired, at the expense of the government ; for while buildings might blow down, burn, or be razed by the caprice of their owner, the highways were to be constructed to last for all time, and it was better to have the permanent location established in the beginning than to waste time, labor, and money in building a road which sometime would be moved.

The work of the county was under charge of one man, called the captain, who had under him a lieutenant for each township ; and each crew was in immediate charge of a superintendent and his wife, or of two superintend-

ents, for the wife had as full charge of the work of the women, as the man had of the work of the men.

A full crew, as we have seen, consisted of twenty-five men and twenty-five women, and as many crews were kept at work as the labor supply could furnish; but crews were not placed nearer together than one mile. As a general thing the first work was done in the eastern tier of townships, so that no one could complain of partiality being shown, for the sooner a road had been completed, the larger profits the abutting property owner would enjoy, both in the increased value of his premises, and the facilities with which he could market his products. As soon as the roads were completed in one tier of townships, another tier would be taken, and so on until the entire county was completed. But, as it might take a couple of years or more to complete a single tier, those on the western side were the last to reap the benefits which might be a decade ahead, and to treat all counties alike this plan of moving from the east side across the county was adopted.

The work which each particular crew was called on to do would depend upon the kind of road the conditions called for; and as the captain and his lieutenants were graduates of the highway schools, they were competent to train any class of workmen to any kind of work required.

If the adjoining country afforded plenty of rock

material for macadam, portable crushers were added to the implements of the crews; but if rock could not be had near at hand, crushers would be constructed at the nearest ledges, and tramways built for the purposes of transporting the crushed rock to the place of deposit; for crushed rock was to be the material for the top covering of all highways. A rock ledge might be ten miles away; no matter; a tramway would be constructed to the nearest main road, from which point improvement of the highway would commence, and from there a full car load could be moved over the finished portion of the road as easily as upon rails. This saved the labor of building long tramways, which were only necessary for short distances.

No matter what kind of soil the road passed through, it was first graded the entire width of the road and open drains constructed on either side. Tile drains were then placed laterally at intervals along the road for the absorption of any moisture that might penetrate the curved surface of the road. The foundation depended upon the character of the soil, and was thoroughly rolled before the crushed stone was applied, which began with the coarser grades. Each grade of material was thoroughly rolled before the next was added, so that by the time the last layer was applied there was a solid bed of two feet of macadam. While the rule required the highway to be improved the full four rods

of the average road, this, of course, was inclusive of the side drains and a five-foot sidewalk of cement or artificial stone constructed along one side of all main highways. All trees within the limits of the highway were moved to the exact line of the highway on either side, but were not placed nearer each other than one hundred feet.

When a stretch of road was wholly completed, it had the appearance of a city street, with its smooth surface and shaded sidewalk.

In its construction, as far as possible, machinery was used for every purpose, driven by powerful storage batteries which had been so perfectly developed as to be the safest and most economical power in use, although the latter quality would not alone have been an inducement to their use. But they were reliable; there was no danger of explosions as with steam or gas motors, and they could be used for nearly every purpose with greater facility than horse power.

The work was necessarily slow, but its qualities were everlasting, and which nothing but an earthquake could destroy. The thorough drainage prevented freezing in the winter, and the gently rounded surface carried most of the water from storms to the side drains before it could penetrate the roadbed at all. But what moisture did penetrate was quickly absorbed by the lateral tile drains, which left the roadbed thor-

oughly dry at all times, which, after all, was the only secret of good road building.

While the work of construction was going on, the greatest care was taken of the employees. The hours of labor were from seven in the morning until five-thirty in the afternoon, with a half holiday on Saturday with full pay. The food supplied was of the best; their wearing apparel was carefully looked after; and the sleeping apartments were models of neatness.

Baths were required to be taken daily. If a person were taken sick, he was removed to a separate barrack, where he was treated till he recovered or died, while his pay continued during disability.

The reading room was furnished with all the latest news of the day as well as with magazines and books; so that after the day's work, those so inclined might cultivate their mental endowments at will.

Or, if they preferred amusements, the amusement room afforded entertainment in the way of games, and was large enough for a ball room.

While the women had charge of all work in and about the barracks, including the keeping of time and ordering supplies, yet, as there were as many women as men, the labor did not fall heavily on any one, and there was plenty of time for such fancy work as every woman delights in.

As has been stated, the government had contracted

to take charge of all the convict labor of the state; and all able-bodied convicts were taken from their places of confinement and divided up among the many road crews, but not more than two convicts were placed in any one crew. There was nothing in their dress to distinguish them from the ordinary workman, but each man had a special watchman over him, and the more desperate criminals were guarded by two armed watchmen, who were never out of the immediate presence of the convict. At night they were lodged in separate barracks protected by steel cages. But during the day they could have the same privileges as other men.

The idea of the government in giving such treatment to criminals was upon the theory that every human life had certain good qualities mixed up with the bad, and that it was against the ethics of a highly civilized community to destroy the good qualities of any human being.

That if by proper treatment the good qualities could be developed to such an extent that they would predominate over the bad qualities, every man would work a reform within himself: if the good qualities could not predominate, there was no reason for stifling them because of their weakness. As such development could never be accomplished by keeping criminals locked up in large aggregations, surrounded by impenetrable walls, dressed in stripes, and fed on the coarsest food, they

were at once separated into pairs and distributed, as we have seen, and the good results accomplished amply proved the correctness of the government's theory of dealing with crimes.

Workmen were permitted to spend their holidays as they pleased, so long as they did not transgress any laws, instances of which were very rare.

The wages paid for their services were as liberal as the most liberal wages paid in any industry for similar services, and the men received the amount of their earnings in Property Notes every Monday morning.

They were taught to be saving and were provided with means for investing their earnings, as will hereafter appear.

When the weather of the North became such that they could not carry on their work, they were removed to Southern states, where the cold did not impede the work.

While prohibition was not a rule of the Drawer, yet the men were taught to be temperate, and if one disobeyed, he was punished by being removed to some crew which had no access to saloons, and he was deprived of his half holidays until such time as he could restrain his appetite for liquor.

It was a salutary way of reforming the common drunkards brought from the city slums, and in ninety-nine cases out of a hundred the reforms were complete. For the first time in their lives they knew what it meant

to have a comfortable home; they became industrious, saved their earnings, and when the road building was finished each of them was sufficiently well-to-do to provide a home for himself, and to be self-supporting the rest of his life.

It solved the race question in the South, which was becoming of serious concern; it civilized what few straggling tribes of Indians remained uncivilized.



## CHAPTER VII

### GOOD ROADS, BUT A DAMNABLE FOUNDATION

IN the progress of this report it has been found necessary to follow one line of action as nearly as possible from beginning to end before taking up another, yet all lines are so interwoven that they must be considered together to understand the whole.

The last chapter shows how thoroughly the rural highways of the entire nation were constructed, a work which took approximately fifteen years to complete, though the same work is still going on in the more undeveloped territory.

It will be surprising, therefore, to have the present chapter announce that they were built on a damnable foundation. The last chapter closed with a statement that the work of the Drawer of Industry solved the race question of the South and civilized the few remaining tribes of uncivilized Indians.

The highway system as constructed by the Drawer of Industries was an important part of the nation's greatness. The nation's territory was another part of its greatness, and the methods of acquiring a large

part of that territory, and the means employed in developing a large part of that territory, constitute two of the darkest pages of history, and leaves her otherwise spotless career with two blemishes which neither time nor eternity can ever remove.

And yet but for those two wrongs, which are the foundation of her present power, wealth, and refinement, this report would be utterly uncalled for.

Six powerful nations of aborigines possessed in their own right and occupation that magnificent country of the New World extending from ocean to ocean. But with the landing of Europeans, they were driven westward, step by step, their lands taken by force or in exchange for a few paltry articles, and even the terms of contracts were ruthlessly broken by the whites, and in more than one instance the Indian was denied the shelter of the white flag of truce in time of war. It was a conquest of civilization over barbarism, a survival of the fittest, and shows the inequalities among men, which has been depicted in another part of this report; yet even among the wild tribes of Indians there were individuals in whom no more noble type of manhood ever existed. Had the whites been compelled to buy the territory embraced within the limits of the United States from those aborigines who were rightfully in possession of it, at a price near its value, it could never have acquired its present possessions. And, instead

of a few remnants of a once noble race, the American Indian might to-day be sharing the honors of the white man in his advanced state of civilization.<sup>1</sup>

<sup>1</sup> The following account of the treatment of that noble warrior, Black Hawk, is a matter of record in the Archives of the nation.

"The Sacs and Foxes were two tribes of Indians who had been driven westward from Montreal by other tribes, who pursued them from place to place until they were united while living in a settlement near Green Bay. From Green Bay the Sacs and Foxes were driven farther West and finally moved to the mouth of Rock River, where they built a large village. For more than one hundred years the Sacs and Foxes had held undisputed possession of that rich tract of country lying between the Rock, Wisconsin, and Mississippi rivers, as well as a large part of the territory west of the Mississippi.

"In 1804 a white man was murdered by a member of the tribe, who was captured and taken to St. Louis as a prisoner. It was a custom of the Indians to compensate for a life taken in this way by payment of a certain amount of wampum or furs, as might be agreed upon, when the prisoner would be released. Thinking that the same custom prevailed among the Whites, Black Hawk, chief of the Sacs and Foxes at that time, sent four emissaries to St. Louis to treat with the authorities of the United States, who were represented at that place at that time by William Henry Harrison, afterward President of the United States. The United States wanted land, and wanted it badly, and they induced the four emissaries to sign an agreement whereby more than *fifty-one million acres* of the richest farming lands in the whole world were turned over to the United States in consideration of the liberation of the prisoner they held, and the promised payment of \$1000 per year, besides certain goods then delivered of the value of \$2334.50. The prisoner was then released, who, after running a short distance, was *shot dead*. Afterward, Black Hawk, in speaking of this treaty, said:—

"The emissaries had been kept drunk the greater part of the time they were in St. Louis, and I will leave it to the people of the United States to say whether our people were properly represented in this treaty, or whether we received a fair consideration for the country

That other black page was the introduction of negro slavery into the colonies and states of the Union. Having made chattels of human beings and brought them from their African haunts to the land of cotton and corn, she kept them in bondage till they were four million

ceded by those four individuals. It has been the cause of all our troubles.'

"After Black Hawk and his followers had been driven north and were in a starving condition, they reached the Mississippi River where it is joined by the Bad Ax. Just as they arrived, they saw the steamboat *Warrior* coming. Black Hawk being acquainted with Throckmorton, captain of the *Warrior*, immediately determined to deliver himself up to him. He then directed his warriors not to shoot at the boat and sent for his white flag. While the messenger was gone, he took a piece of white cotton, put it on a pole, and called to the captain of the boat to send a little boat ashore, and let him come on board. Some one on the boat asked if they were Sacs or Winnebagoes. Some Winnebagoes being on board, Black Hawk told them in the Winnebago tongue that they were Sacs and wanted to give themselves up. One of Black Hawk's braves then jumped into the river, bearing a white flag, and began swimming toward the boat. He had gone but a short distance before a Winnebago on board the *Warrior* shouted for them to run and hide, that the whites were going to shoot. Black Hawk's white flag and its appeal, in the name of his starving women and children, were answered by the discharge of a six-pounder, loaded with grape and canister, which brought death and destruction in its path.

"The *Warrior* was under command of Lieutenant Kingsbury, who occupied the forward deck with a detachment of regular troops, and this affair will forever disgrace his name and remain a blot on the escutcheon of the government. Lieutenant Kingsbury should have been courtmartialed and shot, or convicted of murder and hanged, for both he and Captain Throckmorton admitted that they saw the flag of truce." — THE EDITOR.

strong, and then, in a bloody internecine war, the North at the point of the bayonet said the negro should be free, and from thenceforth he *was* free. But think of turning four million human beings from the condition of slavery to one of freedom at a stroke of the pen, and what could be expected of them! Poor, and made poorer by the system of centralized wealth; ignorant, and made more ignorant by being thrown upon their own resources without aid of any kind; it was no wonder that there existed in the Southern states that feeling of caste and prejudice between the one-time owners and their former chattels. It was no wonder that the whites would not ride in the same railway coaches with them, much less eat at the same table with them. Nor was it any wonder that there rankled in the hearts of the aristocracy of the South a feeling of prejudice against their Northern brethren who had conquered them; for the human being who would hold a fellow-mortal as a private chattel, whatever might be his color, is not of that nature or disposition, who, if his slave were freed by force of law, would take him by the hand and say: "I know you are a human being with a soul, the same as I; your ignorant and helpless condition in this land so far from your native home is due to the mistake of our fathers, which we will try to make right; go your way, get knowledge, be industrious, and we will be, as God created us, brother human beings

bound for the same goal. Though our equal you and your brothers cannot be, yet we will treat you with respect. The cotton fields and corn fields await your labors, and your products we will buy."

But with that feeling of prejudice naturally existing between the Southern whites and the negroes, the wonder is, not that there should have been so much shiftlessness and ignorance among the blacks, but that that down-trodden race should have made as much progress as they actually had made under such trying conditions during the first half-century after their emancipation.

We have said that without this black page in the history of the nation this report would not have been called for; the great industries of the South, which supplies vastly more than the country needs of cotton and tobacco, sugar, rice, and corn, — five of the most staple articles of human consumption, — depend upon the labor of the blacks, and without the millions of them which now populate that part of the country through the influence of the former slave system, the United States would be far, far from enjoying her present position.

At the time the Federal Government took up the construction of highways one of the great questions which confronted the old system of government was, "What can be done with the negro?" There were hundreds of thousands of them in the South, strong,

lusty fellows, capable of doing an enormous amount of labor, but under the influence of Southern skies, as lazy and indolent as the day was long. But with the advent of the road-making era, this hitherto useless population was drafted into the ranks, and by receiving the same treatment as their collaborators of the North, and being taught that they were men and not beasts, that they occupied a position in the world not to be despised, and that they were a part of the greatest nation on earth, the spark of pride which exists in every human breast was kindled, and they knew that, like the whites, they were endowed with souls and consciences, and were susceptible to the joys of life and the pangs of pain. Gradually they caught the spirit of the times, and there were no more honest, faithful, and industrious workers in the whole field of labor than those same former drones of the South.

The work in the Southern states was carried on in the same general way as in the county described, though the crushed rock had to be brought longer distances; but the system was the same, and when the entire work was practically completed, two great results had been accomplished. The whole country was crisscrossed with shaded walks and drives, which revolutionized the whole system of highway transportation; and it had solved the question, "What can be done with the negro?"

It had been demonstrated beyond a doubt that properly trained and treated as human beings instead of beasts the negro became enthused with the same spirit of progress and had the same ambitions and aspirations to succeed and acquire property, and to be and become among the honored citizens of the country as the whites, and when the highway construction work was nearly completed, the great majority of those formerly indolent and shiftless blacks had been transformed into energetic and thrifty men; and had earned and received their proportion of the Public Wealth, which enabled them to acquire their allotted portion of farm lands, upon which they built comfortable homes, and which they tilled with intelligence, and became among the most industrious and law-abiding citizens of the world.

The work of road building in the mountains was peculiar in itself, and yet aside from the necessarily steep grades and winding courses, when completed they presented the same general appearance of the highways of the valleys. But they were the forerunners of the greatness of the mountains, which became the abiding place of millions of individuals seeking health or pleasure, wealth or treasure. In the Western mountain work what few straggling tribes of Indians remained were pressed into service and educated to the ways of toil. No one in the whole country was more entitled to a share in the great distribution of wealth than the



native Indian, without whose lands the country must have been perpetually divided, and the government of The Distributors was more than anxious that he should take his place in the great army of laborers, which he did, after much coaxing. In time they became fairly good workers, and showed what might have been accomplished from their ranks if the policy of the early government had been one of education rather than extermination.

Thus in the great work assigned to the Drawer of Industry, there had been employed the scum of the cities, the convicts of the prisons, the shiftless of the South, and the indolent Indian of the West. A network of boulevards and roadways had been constructed, the like of which the world had never seen. Criminals had been reformed and made to see the beauties of an honest and industrious life; the negro had been taught and had learned his true position in the world, and the Indian had received enlightenment which made him sigh for what might have been.

Billions and billions of dollars of the country's wealth had been distributed among the working people, who, to that extent, became shareholders in the great industrial and transportation companies of the land.

It might be thought that after such a vast work had been accomplished no other industry could be found to keep the laborers at work. But, as this report will

show, vast as that work had been other industries were waiting to be developed, the magnitude of which made the road work seem as but child's play.

But before leaving this part of the work of the Drawer of Industry, we must refer to that other branch, the national boulevard which had been promised. When the work of the country roads was practically completed, actual work began on the great highway stretching from ocean to ocean, and five hundred thousand practical roadmakers with years of experience were set to work upon it at the outset.

## CHAPTER VIII

### PARADISE WAY

THAT great military thoroughfare of the Roman world, known as the Appian Way, reaching from Rome to Brundisium, was but fifteen feet wide, yet seventy years elapsed between its commencement and its completion. So well was it built, however, that portions of it stand to this day as a testimonial of that great work completed three hundred years before the Christian era. It was constructed for military purposes, and for centuries the vast armies of the Roman Empire were transported over it.

The great thoroughfare of the American republic, unlike that of her sister republic of old, was constructed for the pleasures of the people and not for the purposes of war. Reaching from ocean to ocean, with branches leading north and south to all the large cities of the nation, it was fully seven thousand miles long, and was completed within ten years from its commencement.

Its construction was altogether a different proposition from that of the rural highways, yet that great work had developed hundreds of thousands of skilled road-builders, skilled in every branch of the art, who were

available for the new undertaking, and no less than five hundred thousand men and women were employed from the beginning, which number increased from time to time till the maximum number of people directly employed in its construction approximated five millions.

The latest and most improved machinery was employed in all parts of the work, and with the wonderful storage-battery power, the physical work of the laborers was almost nothing. It was rather a great school of training than a laborious work, and it developed all the latent talents and intellectual abilities of its pupils.

This great avenue extending from Boston to New York, from New York to Philadelphia and Washington, and from New York *via* Chicago to San Francisco, had branches extending to all near-by large cities, while two main cross avenues were those extending from Minneapolis *via* Milwaukee to Chicago and thence to St. Louis and New Orleans, and from the Grand Canyon of the Colorado *via* Ogden to the Yellowstone Park.

The specifications for this stupendous work required the avenue to be twelve rods or one hundred and ninety-eight feet wide, about three times the width of the ordinary highway. It was divided into four parts. Through the center a width of twenty feet was devoted to grasses and flowering plants; on either side of the center strip was a roadway eighty feet in width, one of

which was for the exclusive use of vehicles drawn by horses, and the other was for the exclusive use of automobiles. The remaining nine feet on either side was devoted to sidewalks and retaining walls.

The work was to be in the same permanent style as the rural ways, but in crossing any steam or electric railway, it was to pass over or under, as the situation might best afford. Shade trees best suited to the particular part of the country were to be planted at intervals of one hundred feet on either side, and the whole avenue was to be lighted by electric arc lights of two thousand candle power each suspended in the exact center at intervals of five hundred feet.

Where the Way led through level country, it was raised so that the level of the sidewalks was six feet above the level of the ground, which was also one foot above the level of the carriage ways. A retaining wall of concrete and cement on either side, elaborately molded into various pleasing forms, extended four feet above the level of the sidewalk, and at regular intervals permanent seats were constructed in the sides of the wall. This grade was established for making the numerous overhead crossings of railways as gently as possible, and where the crossing was by a subway, the descent began so far away as to be scarcely perceptible.

In crossing streams, cement and concrete construc-

tion was used for bridge work in most cases, but where a great number of adjacent railway tracks were crossed, and the Mississippi and other wide rivers, heavy steel construction was used.

At intervals of one mile approaches were built, by which vehicles could enter or depart from their particular side, but no crossings were provided. This was done to prevent the hazard of swift-moving vehicles on the motor side of the way. Highway crossings were provided either over or under, but never at grade.

The course of the Way never passed directly through a large city, but as near to the city limits as practicable. From its general appearance it resembled a long, narrow park, and from the cosmopolitan appearance of those who made use of it after it was finished, it became popularly known as "Paradise Way."

If this Way had been constructed in ancient times, it could have been done only by enforced slave labor; if it had been done in any modern time except in the way it was done, it would have proved a gigantic failure; for it would have been so costly an undertaking that years and years must have elapsed before its final completion, and then would have been a losing investment. But being constructed with the main purpose in view of distributing the Public Wealth, and educating the toilers to the benefits of an industrious life, it was a stupendous success.

On the day it was opened to the public, and no part of it was opened until the entire Way and its branches were completed, the greatest public demonstration in all history took place. The country had now enjoyed twenty-five years under the system of government which first found an advocate in the little old brick schoolhouse of the Western prairie, and there was not an individual in the whole country but what had benefited by it. So in honor of the first quarter century of The Distributors, the opening of the national boulevard, or "Paradise Way," was made the occasion of a national jubilee, and people flocked to it from the north and from the south, and there was not a mile of it which was not lined with enthusiastic throngs. While there was great wealth represented, yet there was no citizen of the republic, even from the farthest corner of the country, who was so poor as to be unable to attend the jubilee. Every man, every woman, and every child possessed that independence which gave happiness, and no envious or jealous spirit existed. The great mass of humanity had come to learn that men were not equal each to each; that certain ones had been endowed with a genius for conducting the affairs of life, while others by the very laws of nature must perform the work which others dictated. They came to know that all wealth was but the creation of labor and that they were the creators; and so long as the accumulators of that wealth were but

trustees, who must at some time render an accounting when that wealth would be returned to them, they were content.

The construction of the rural highways and the building of the park way had directly employed millions of people at remunerative wages, besides giving them instruction and training in the duties of life. Indirectly it had kept every industry in the land thoroughly alive, and there had not been a man, woman, or child in the whole nation that had not profited by this system of distribution of the Public Wealth.

Vast fortunes had been accumulated by private individuals, through their private enterprises; but the flow of wealth to the Bureau of Distribution was unceasing, and every day, every hour, some trustee for the common people was called to his final accounting, and for the first time in the history of any nation of all time the circulation of wealth was complete.

The great parkway became thronged with pleasure-seekers from the day of its opening. Those who preferred could walk on the shady sides; those who preferred to ride or drive a horse were secure in their half of the way; while those who preferred the swift electromobiles could speed to their heart's content. The approaches were as wide as the Way itself, and were so divided that there was no danger of collision between those entering and departing. The speed of electro-



mobiles was limited to thirty miles an hour, while horses could not be driven faster than ten miles an hour. The entire Way was thoroughly policed and was so arranged with electric devices that if, for any reason, a guard wished to apprehend a transgressor of the rules, he had but to press a button and notify the guard in advance, who pressed another button which displayed a signal to stop, when all vehicles approaching the signal came to a full stop till the party wanted was arrested, which took but a moment.

The rules governing the Way were very simple, and when the public learned them and how easily the transgressor could be apprehended, their violation was of rare occurrence.

There was a force of people constantly employed in caring for the central part of the Way, which was a veritable flower garden fringed with green.

So great became the traffic upon this thoroughfare for people going from one large city to another, even to crossing the continent, that at regular intervals large and commodious hotels were constructed, having all the accommodations of the best hostelries in the world.

To say that it was a success from a utility point of view would be putting it mildly. As a thoroughfare, it was to the other highways what the aorta and ventricles are to the circulatory system of the body.

There had never been anything like it in the world, and people pinched themselves to know whether they were awake or dreaming. But the idea and the fact were complete.

The rebuilding of the rural ways had also revolutionized their use, and except for the purpose of varying the monotony of travel, horses found no place upon the highways, not even among farmers. Every farmer on the by-roads had his electric motors and motor wagons, and while those living upon the main thoroughfares could make regular use of the lines of electric vehicles making constant and regular trips between the various villages and cities, the farmer living in the most remote place could have his products loaded upon a kind of car right at his farm and run at the rate of fifteen miles an hour to the nearest railway station, where it could be run upon a regular railway car and transported to market without breaking bulk, so that the producers had but slight advantage over each other in getting their products to market.

If one wished to take a trip to any place in the Union and was satisfied to travel at the rate of fifteen miles per hour, the limit of speed, he could take an autocar on any main highway, and by changing, when necessary, reach his destination without trouble. These autocars were fitted as luxuriously as a railway coach, would accommodate twenty passengers, and would

stop at any point on signal. They carried the usual amount of personal baggage and made a uniform charge of one cent per mile. They were run by individuals, who might own or lease a car, and any one who wished to operate one for himself was at liberty to do so. There were also regular freight and express auto-cars which made regular trips along the highways, making regular and schedule time, and receiving and delivering goods at the most convenient points to the shippers.

This revolution of the use of country highways also revolutionized city life as well as country life. No longer the farmer living a score of miles from the city was isolated from the advantages of metropolitan life; and no longer were the congested districts of cities necessary or permissible for living purposes.

The electric railways had wrought wonders in relieving this phase of city life, but not until the *highway cars* came into use, made possible by the governmental construction of highways, was the transformation complete. The business man could have his residence as far removed from his office as he chose, and in any direction, and at the nominal cost of one cent per mile for transportation. No longer was it necessary for the man of limited means, who possessed high ideals of a home, to be deprived of that luxury, for to the country he could go, and select such spot as might suit his

fancy and means, and still be within reach of his place of business.

It transformed cities into just what they were designed to be, — places for men to meet and traffic in. It transformed the country into what it was intended to be, — a place to LIVE in.

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## CHAPTER IX

### THE DRAWER OF CHARITIES

WE will now retrace our steps, as we shall be obliged to do many times before this report is finished.

The Drawer of Charities, as we have seen, had for its work the elimination of the slums of the cities and the relief of the indigent.

Every city in America, like every other city on the face of the globe, possessed its shady side. The larger the city, the deeper became the shade; and even the larger villages lacked the necessary sunshine to make them fit abiding places for human beings.

Every large city had its tenement-house district, where hundreds of thousands of human beings were huddled into small apartments unfit for beasts to live in. Born and reared in these filthy, overcrowded districts, men and women lived their whole lives without once getting outside the city limits. They saw the green grass and the flowers and the trees of the city parks, but outside of those sights, their conception of the great world beyond the city was as though no outside world existed.

A single room would constitute the sole and only

abiding place for a whole family, — a man, his wife, and half a dozen children, — and in that one room the family would cook, and eat, and sleep, and increase in numbers. And the city permitted it.

Half a dozen blocks away might dwell a man whose wealth could not be counted by half a hundred million dollars, surrounded with every luxury that human intellect could devise and with no thought of the conditions existing only a few short blocks away.

The system of accumulating and hoarding wealth permitted it. One half of the city did not know how the other half lived and cared less.

The inhabitants of the tenement districts were scarcely self-supporting, even with the meager crumbs upon which they subsisted.

In such condition they were not a valuable addition to the population of the city or country. But they existed, and neither the city nor country took steps to change their conditions.

Every city had its tenderloin district, its custom-house place, its Chinatown, or its Little Egypt. And the larger the city, the more brazen became the conduct of its inhabitants. Every city possessed its red-light district to a greater or lesser extent; and the government not only permitted it, but the government, the city government, *licensed* it. Why?

Because society, as it existed under the old system

of government, demanded that those districts should exist, and demanded that some of the fairest and frailest of the land should fall victims in the meshes which entrapped them. Once caught, they were never released, and they found themselves with virtue and honor gone, and their very souls bartered. For what? For the wealth that was necessary to keep them alive while yet they remained on earth. Wealth which they paid for by satisfying the passions of human beasts and damning their own souls. Yes, the conditions of society demanded it. The system of government sanctioned it; and the fair, frail creatures of humanity gave themselves up to it.

Why did society demand it, and why did the system sanction it?

An illustration : —

On a certain street there were a score or more of big department stores employing hundreds and thousands of clerks each. The wages were small. The profits were large. But by squeezing the wages of the clerks down to the very lowest notch, the owners could add a few more millions to their credit. A young girl clerk would approach the manager and ask for an increase of wages, as what she was getting barely afforded a living for herself alone, while she had a widowed mother and smaller sister to support. Did she get it? Sometimes, not always. If particularly comely, the

manager would look her in the face and suggest how she might increase her earnings without diminishing the profits of the firm. Society demanded clothes; appearances were everything. Her family needed help; and as a last resort the suggestions were heeded; and in an evil moment she fell, never to rise again. And there were always those to aid her in her fall, but none to help her to rise. Once down, there was no return, but down, down she sank, till at last the red-light district claimed her as its own, and she became a part thereof.

Or a maiden from the country might go to the city and fall into evil company, and under some hypnotic influences yield herself to the desires of lust.

And the government sanctioned all this! Why?

Because, under the system, the beasts had put on man's disguise, and they had a voice in and were a part of the government itself.

And so, when the Drawer of Charities was directed to eliminate the tenement districts and the red-light districts, and to spare no pains nor expense in doing so, it set about the work, not with the strong arm of the law to do the work by force, not by any means! That was not the idea of government held by The Distributors, not at all. But the commissioners of the Drawer of Charities went about the work in a systematic and humanitarian way of elimination, not by annihilation, but by disintegration.



There were many branches of the work. For each required its peculiar kind of workers to accomplish perfect results. As far as possible ladies were employed in the work, and they proved efficient aids to the captains who had charge of the work of disintegration.

And this is how they accomplished their work: Going to a tenement district, they would perhaps find a man so dissipated as to be almost beyond recall, yet having a wife, with barely enough rags about her to cover her person, and two or three children supporting the family from the profits of a few papers sold on the street corner. The room would be low, smoky, and reeking with filth.

The difference between a hog and a man is this: Given an opportunity and all hogs will keep clean; but some men are not like hogs, for they require persuasion to even take a bath.

So the first thing to do would be to provide the family with food, plenty of good and well-cooked food, for the way to a man's heart is through his stomach. Next good clothes and a bath, and then the family would be ready to be taken out. Yes, taken out! out of the tenement district, out of the city into the broad country where, for the first time, the children, and perhaps the parents, caught a glimpse of the great wide world.

Their eyes would open. "Who was doing all this for them?"

"The government."

“How?” and “why?”

“It was distributing some of the Public Wealth that before had been hoarded by other men who had no use for it.”

“Would the distribution continue?”

“Yes, in just one way. The family should adopt habits of cleanliness, leave the city for good, and go where work was waiting for them.”

“Could work be found?”

“Yes.” When they saw that work was expected of them, the idea of finding work was uppermost in their minds, for in the city there had been no work offered them, and they had been in no condition to have performed any labor.

And so they were removed to some district where work on the highways was waiting for them, and where they found in the moving barracks such comforts of home life as they had never dreamed of. In a short time the man and wife were working, and the children were sent to school.

If, perchance, the party was so far gone with drink that he absolutely refused to leave his habitation, he was arrested as a common nuisance, taken before a court, and sentenced to remain in custody at hard labor until his reformation. And with that authority over him he was taken to the country and placed at work upon the highways.

And so the work of depopulating the tenement districts went on ; no matter what might be the conditions, the inhabitants were forced to move ; and when the tenements were all vacated, the owners were directed to raze them to the ground. With city lots so valuable where the tenements stood, the wonder is that the owners had so long permitted their existence and occupation by people who could pay little or nothing for rent.

With the demolition of the old rookeries, new and beautiful buildings arose which were an addition to the wealth and attractiveness of the city.

But there was a class of people who were respectable and industrious, but who, through their environments and poverty, eked out a miserable existence in the sweat shops of the city. Competition was rife in some industries, and prices of goods were cut. The manufacturer and dealer could not do business at a loss, so to meet competition and still make their usual profits, they cut the wages of their employees, who, by force of circumstances, could do nothing but take what was offered them for their services. Children, big boys, and big girls, in the very prime of their youth, when they ought to have been shaping their careers for a long and useful life, were obliged to drudge at their work in those sweat shops day after day and year after year.

And the system looked on and offered no relief.

How could it? The greed for gain was abroad in the land, and when a man bought a suit of clothes, he thought not that he was his brother's keeper, but of the bargain he had secured. He did not stop to think, perhaps he did not know, that that same suit of clothes which paid the manufacturer and the dealer a handsome profit was shaped by the hands of toilers who could barely subsist upon the wages earned.

Here was an evil that required at once both delicate and heroic action. The problem was solved by having all such underpaid help give notice to their employers that unless they received reasonable compensation for their services they would be obliged to quit; and notice was given by those in authority that the wages paid must be such as the government recommended, and the prices of their goods raised to meet the necessary requirements, for no manner of competition was allowed to affect the scale of wages paid the toiling masses. If profits would not warrant, then the proprietor could seek some other line of industry, for the days of the sweat shop were over.

But the work which required the greatest tact and genius was the disintegration of the tenderloin districts. The inmates had been licensed to carry on their questionable resorts and were protected. While an occasional wave of reform would sweep over a city, the district would be raided, but the red lights in another

part of the city indicated that the inmates had only moved from one district to another.

The elimination of the sweat-shop evil was a step in the direction of eliminating the tenderloin districts. There was a close alliance between the Federal and State Governments,—closer than there had ever been before. The Federal Government was authorized to take full charge of the police department in every city in the land. It was the only way in which the work of eliminating the tenderloin districts could be accomplished. So the red-light districts were quarantined as though they were the breeding places of the most contagious diseases, as indeed they were, and no man was permitted to remain in those districts, and no woman was permitted to escape. The districts were placed in charge of female policemen, recruited from the ranks of the respectable people, who were willing for a goodly salary to take care of the work assigned them. They were large and strong in proportion to their sex as the average male policeman.

They were uniformed and armed and had full powers of the city police. The sale of all intoxicating beverages was prohibited in the district.

The inmates were divided into three principal classes. Those girls who had not fallen so low but what reformation was possible were removed from the districts and from all city associations. The second class was

provided with such work as they were capable of doing, for which they were liberally compensated; while the third class, consisting of the older and more hardened types of the tenderloin, were permitted to spend the remainder of their days working when they chose, but not compelled to work at all, while they received sufficient allowances for all the necessities of life.

It might be supposed that segregating those creatures from the influences of the opposite sex would have led to crimes unnumbered outside those districts, but wise provisions had been made to prevent those very crimes.

Every single man between the ages of twenty-one years and sixty years who had a record of frequenting those districts, who was capable of working and supporting a family, was given his choice of either getting married and remaining in the city, or of being removed to the country. Every such man who did not express his choice within thirty days, was arrested without further notice, and as soon as his business affairs could be adjusted was transported.

Those girls who were removed from the city were taken to the country, where vast flower gardens were cultivated, of which they had full charge, and who did all the work. The association with the growth and bloom of plants, and their segregation from evil companions, worked a great transformation in them, and after a few years, their reformation was so complete that they were

allowed to go at will and most of them were faithful unto the end. While at the flower gardens they were given the best of instruction in such arts as best suited their fancies, and nothing, not even poverty itself, which in many cases had been the cause of their downfall, would have tempted them to return to the old life. Some remained single the rest of their lives; but most of them married and led respectable lives, for were they worse than their traducers?

The older or third class passed away in a few years, for the lives of the fallen were comparatively short.

The middle class conducted all the business of the districts, and when they arrived at a certain age, they, too, were pensioned, and passed the remainder of their lives as they saw fit. If they conducted themselves well, they were taken on an annual trip through the country, though carefully attended. If, as was sometimes the case, a genuine reform was experienced, they were sent to the flower gardens, where after a term of years, if their reformation were complete, they were given their liberties.

It is not the purpose of this report to explain why such and such things were done, but rather to show what *was* done that produced the results and conditions as we found them. But as it has been shown in this report that convicts were separated into pairs, the question will be asked why the inmates of the tenderloin

district were only segregated into three lots. Anticipating such question, we found the reason to be that as it was absolutely necessary to keep careful watch over each individual for a long term of years, there were so many of them when the work began, that to segregate them one from another, was impracticable, and so the system of dividing them into three classes and separating them from the opposite sexes was deemed to be the best and most practical.

It should be stated that the same general plan of work applied to all cities, large and small alike; and whether the "district" consisted of a dozen city squares or only a single house, the elements involved were the same, and the same measures were adopted to separate them in one case as another, and with like success.

As before stated, the separate lines of action under the government so interwove with each other as to form a part of the whole scheme, so now we shall again retrace our steps and show what influences an entirely separate line of action had in completing the elimination of the slums of the cities and preventing their recurrence.

The work of the Drawer of Charities thus cured the sores of the cities, and the cure became permanent. There were other works assigned to the Drawer of Charities, but as they were in no way connected with the slums of the cities, nor with vice in any form, they will be treated of in a separate and later chapter.



## CHAPTER X

### THE DRAWER OF INSURANCE

THERE was one great accumulation, or rather there was one form of a great many vast accumulations, of wealth, which the general law did not reach, and which required a special act of Congress.

The Life Insurance Companies alluded to in a previous chapter did not come under the general law, and there was nothing to prevent the accumulations from increasing day after day, and year after year.

The theory of life insurance was to provide for old age, or, for the surviving members of one's family. But the system which had grown up had accumulated a vast surplus, which amounted to nearly a billion dollars for each of three big companies, while many others had lesser amounts ranging from ten millions to one hundred millions each. This great amount of wealth was a power in the hands of its manipulators, to whom it brought large profits without any adequate return to the policy holders; and as it was a fund to insure the stability of the company, there was no way in which it could be distributed, for the number of policy holders was constantly increasing, and new members coming

in had the right to demand that the assets of the company should not be impaired.

There were numerous other forms of insurance companies, which, while they did not collect money from the policy holders to maintain a surplus, yet, as the members grew older, the assessments grew larger, which caused old members to gradually drop out, leaving the burden to fall upon the few faithful members who remained. The result would be the dissolution of the old company and the formation of a new one along the same lines, to repeat the same experience.

There were two other objections to *all* forms of life insurance. One was that there was no limit to the amount which a single individual might carry in the old line companies, while the fraternal companies required the assured to belong to several fraternities if he would obtain all the insurance which he by right ought to carry.

The other objection, common to all companies, was that the applicant who might be afflicted with some constitutional trouble, could not obtain insurance at all, while his family would be the ones most in need of assistance in case of his demise. On the other hand, the rich man, with robust health, who did not need insurance at all, could carry in the old line companies as much insurance as he chose to pay premiums for.

The government's theory of insurance was that *all*

people should be insured, and when the question of limiting the accumulations of the big life companies came before Congress, it enacted a law which took over the entire life, accident, and sick benefit insurance of the nation, and prohibited any private company, association, or individual from thereafter engaging in that kind of insurance. If, as it claimed, it had the interests of all the people to look after, then the government would see that insurance was as equitably distributed as was the wealth of the country.

It agreed to carry out all existing contracts, but prohibited the issuance of any new policies. So, all the insurance companies transferred their books and assets to the Department of Wealth, which turned them over to the Drawer of Insurance.

In formulating its plans for universal but limited protection, the Drawer of Insurance did not confine itself to the hazards of accidents, deaths, and disease; but it included marriages, births, and maturities. It believed that every man was created to mate with some woman, and however humble might be their station in life, it were better that they should be mated than to remain single. As, under the old system of government, poverty kept thousands of people from marrying, which too often resulted in the downfall of the woman and the disgrace of the man, for the encouragement of matrimony it was declared that every couple on the day of

their wedding should be endowed with a certain sum, according to their station in life and the wealth they already possessed. It was deemed necessary that every couple starting in life should have at least \$5000; if the couple were laborers of the common classes, \$5000 was the minimum amount set apart for them. If they were devoted to the Arts and Sciences, \$10,000 was set aside for them; and if tradespeople, having an established business of less than \$10,000 in assets, the actual amount of assets was increased by government endowment to \$10,000. If the people belonged to the wealthy classes, a premium of \$25,000 was given, for it must be remembered that this payment at marriage was for the sole purpose of encouraging matrimony, and insuring the married couple against want; and, as the wealthier a man became, the higher station in the society world was enjoyed by him, the more need he had for a large endowment.

This, no doubt, will seem strange to many, but it is a fact, nevertheless, that the more a man has, the more he wants, and to put a man of the wealthy class in the same rank with the common laborer, would have destroyed every spark of matrimonial inclination he might have possessed through the premium offer of the government.

The government knew and understood that it was dealing with human nature and not ethics. Its wisdom

was shown in the remarkable increase in marriages which took place, and it was one of the greatest helps which the Drawer of Charities had in its work of eliminating the tenderloin districts of the cities.

The endowment was not paid to them as a unit, nor to the man alone, but it was equally divided between the man and his wife. Nor was it a sum set aside, from which the income only was doled out to them, but the principal sum was paid over to them and they were taught how best to invest it that it might yield them the largest returns.

There was also a provision that unless the couple lived together until separated by death, they each forfeited to the government an equal sum at time of separation, and this one provision did more to prolong the union of husband and wife than all the marriage vows ever devised, for a second marriage did not entitle the party to a second endowment.

On the birth of a child, the government paid to the parents \$100; if it lived to be one year old, another payment of \$200 was made; and if alive at the end of five years from birth, the sum of \$500 was paid. These sums were paid as premiums to enable the parents to give to the infants that care and nursing required, the lack of which was the cause of so large a mortality among children under five years of age. Some thought that the payment of \$100 at birth would be an in-

centive to crime, but such did not prove to be the case. The first hundred dollars went a long ways in caring for the tiny infant, without which care hundreds of thousands had died during the first few weeks of life. At the age of one year a payment of \$200 was a sufficient inducement to give the child proper care and nursing till it reached the age of five years, when the payment of \$500 would diminish the chances of crime to a negative quantity. It would appear from this report that the sole attachment which parents were expected to have for their children was to rear them for the money premiums they would bring, and in many cases such a condition was only too true; yet in the vast majority of cases it but stimulated the fond parents to do for the little ones that which, under the old system, they would have been unable to do at all, and so saved the lives of those innocents brought into the world without choice.

When the child reached the age of twenty-one years, whether a boy or girl, he received a maturity insurance amounting to \$2000, for it was deemed prudent that every person should commence life with a fair amount of wealth, so that poverty would not act as a handicap in whatever life work he chose to pursue.

There was no insurance nor pensions for old age, for, it was argued, if the people were assisted in their early life, they could accumulate enough of this world's goods to provide them the comforts of later life when they

could no longer toil; but that if pensions were offered for old age, it would destroy that spirit of industry and thrift which the government was particularly anxious to foster.

At death the sum of \$1000 was paid to every individual immediately connected with the family of the deceased, except the widow, who received \$5000.

In case of accidents, or disability from disease, the person so disabled received the sum of \$25 per week, and \$10 per week for each member of his family dependent upon him for support.

By this system of insurance, there were no great sums falling into the hands of a few individuals; and there were no persons who were denied the benefits of insurance by reason of their constitutional defects. A medical examination was uncalled for; but when a child was born, a record of birth was filed with the government, and thereafter the government kept as close watch upon the child as a parent would that of his own family. Every one was provided for by the government without application on the part of the individual. For the purpose of paying the insurance and premiums as they became due, no premiums whatever were assessed or collected, but they were paid from the earnings of the Public Wealth and the income taxes. For it must be remembered that at the very outset there were Ten Billion Dollars of property turned over to the Bureau of Distribution, which was con-

stantly increasing, and, as only the principal sum was required to be held as collateral for the Property Notes issued against it, all increment was at the disposal of the Drawer of Insurance, which was found to be ample to take care of all the various forms of insurance and premiums provided for.

Thus the government plan of insurance not only secured to the whole people provision against want at all stages of life, but it provided a most excellent avenue for the equitable circulation of wealth.

To be sure, it drove out of business a horde of insurance officials who hitherto had been drawing princely salaries, some of whom drew more than was paid to the Executive of the nation itself; but insurance was not looked upon as a private industry which any one might take up at will, but was something which, by the very nature of the business, must at all times be under the control of the government, no matter what form of government existed, or what party might be in power; so it was not a departure from the principles of The Distributors to take over all forms of personal insurance to the exclusion of all private, mutual, or fraternal organizations; and the results justified the wisdom of the act.

It made a nation of home owners: it broke up the bachelor club features of city life; it developed the intelligence of the masses of humanity and destroyed their passions and longings for the old haunts of misery and vice.



It eliminated the institution known as the Poor House, for there was no need of Poor Houses thereafter. And those old-time institutions which flourished in every county and city in the land during the days of unlimited opulence were converted into schools for especial purposes, as we shall hereafter show.

No longer were the insane asylums filled to overflowing, as they had been in former days, for the great number of insane people in the past was traceable to financial embarrassments in one form or another.

While the old fraternal organizations were founded upon the brotherhood of man, yet they were narrow, selfish institutions, that could offer assistance to no one who had not learned the rituals and the passwords required. Even the church, founded upon the teachings of Jesus Christ, did not have that power to convert people to the right ways of thinking and living as had the Drawer through its system of providing for the welfare of the entire community.

The principles of The Distributors were founded on broad lines, which embraced all humanity within their jurisdiction, no matter of what race, color, or previous or present condition of servitude, which was the exact antithesis of the church and of all fraternal orders which had for their objects of charity only those of their own kind.

## CHAPTER XI

### THE DRAWER OF EDUCATION

THE work of reforming the educational system of the country was taken up early in the career of the new administration. The old system had been liberal in a way, but yet it did not afford the opportunities for universal education in the fundamental principles of life which a highly civilized state of society should afford.

Under the system of centralized wealth, the people could have been divided properly into four classes as to their mental attainments:—

First: the illiterates, many of whom could not write their own names or read a word in any language.

Second: Those who could read and write, but who possessed no general knowledge of the world.

Third: Those who had a common or high school education; and

Fourth: Those who had graduated from some college or university.

The whole country was dotted with schoolhouses, and an opportunity afforded children in the country to get a fairly good common school education; yet many who were not educationally inclined failed and

neglected to require their children to secure that great asset of life which the state gave for the asking, while hundreds of thousands of others were deprived of all facilities for securing an education.

In cities, matters were even worse, for while there was no lack of educational facilities, the question of clothes, and of bread and butter, seriously interrupted or entirely prevented thousands of children in every large city from getting any education except what was picked up on the streets.

A few great universities existed where students gathered by thousands for instruction in such branches of learning as desired, where competent instructors were found. But those universities were so large that they became unwieldy, and the work was not as thorough as it should have been.

The Department laid down a few general rules for the Drawer of Education to follow, beyond which the entire question of revolutionizing the educational system was left to the Commissioners of the Drawer.

A compulsory education law was first recommended, and afterward enacted and put into force to assist the Drawer in its work. By this compulsory law, every child between the age of five years and eighteen years was required to attend school nine months in the year. There were a large number of parochial schools in the country, maintained by various church organizations,

at which a certain amount of work done was along the line of work of the common schools, while the remainder of the work was devoted to instructing the pupils in the tenets of the particular church to which the school belonged.

There was no objection to the existence of the parochial schools, nor any objection to the tenets of the various churches as taught in the schools; but as the government was to assist them the same as public schools, it insisted that the same course of instruction should be taught in them as in the public schools, and that they were to be under the same supervision of the government as the public schools. This was readily assented to by the church authorities, who were satisfied if they could have the children under their especial care for spiritual instruction, but otherwise giving them the same instruction required by the government.

In some parts of the country the township system of school had been in existence for years, but the large majority of schools were the old-fashioned type of New England district school, of which the Old Brick, where The Distributors had their birth, was a fair type.

In those schools all the children of the district of all sizes and ages met in the same room and received instruction from the same teacher.

An effort was made after a time to grade the country

system of schools so that a regular course could be given as far as possible. But, while some of the brightest men of the nation had founded their education in these same country schools, yet to the great sum of humanity they were intended for, they were far from satisfactory.

And yet, under the system of centralized wealth, conditions could not have been much better than they were. But with the power of wealth to devise and carry out a new system, the best talent of the land was summoned to assist in revolutionizing the whole educational system.

The old district and township systems were abolished. In their places were established grade schools from the kindergarten department to the full four years' course of the high school. The buildings for these schools were constructed at such centers as would accommodate a certain number of pupils to the best advantage. As nearly as possible the largest number of pupils which were to be under the direction of a single teacher was twenty; for it was considered that if a teacher thoroughly understood the character and disposition and latent talents of twenty different pupils, and trained them in the way they should be trained, she, or he, as the case might be, was doing all that could be expected of any teacher.

The advantage which the grade school had over the common district school lay in having teachers thor-

oughly grounded in the branches taught in their particular grades, and having a class large enough, and not too large, to draw out all talents of both pupils and teacher. The teacher who might be a great success as a kindergarten teacher might prove an utter failure in the upper grades and *vice versa*. There was also an advantage in having the course complete, and a full class for each year in the high school. Too often the bright scholar of the district school would meet with some obstacle that would prevent his completing his high school education, while under the new system ill-health alone would excuse any pupil from taking the full course. At the age of eighteen years every pupil was supposed to have finished the full course. Up to that age his presence at school was compulsory. Beyond that age, if he had not completed the high school course and wished to continue, he might do so. Scholars who were particularly bright finished the full course at the age of sixteen years, while the average age of completing the course was seventeen years. On completing the full course, the pupil was ready for such advanced course as he might select.

For the purpose of insuring the attendance of all children of school age, and assisting them to and from school, which might be located several miles from home, regular lines of electric autobusses were provided which made regular trips each morning, gathering the chil-

dren from their homes and returning them in the afternoon. The conditions of the highways were such after their improvement by the Drawer of Industry that swift time could be made in this work, and one autobus could easily gather and return one hundred children daily.

An innovation was also inaugurated in the way of giving the children and teachers good warm dinners. Every school was provided with a complete kitchen and dining room, where dinner was served free to pupils and teachers, for it was a part of the system provided for by the government.

The playgrounds were large, for these school buildings were located where plenty of land could be had. They were not the open playgrounds one used to see around the old district schoolhouse without a tree or a plant or a flower, grounds which were bleak in winter and torrid in May and June; but they were provided with shade and plants and flowers and fish ponds, and everything to make them attractive; yet there were plenty of open spaces for all outdoor amusements.

The teachers were either men or women. Efficiency and not sex were the requirements. If a young man had a peculiar faculty of instructing the very small children, there was no objection to his teaching the kindergarten department; for, indeed, was it not Friedrich Froebel who was the great founder of kindergarten

instruction? And if a young lady possessed the faculties and knowledge for taking charge of the high school, the position was given her; for had not Hypatia been one of the leading instructors of her time?

The principles of segregation did not apply to the Drawer of Education as it did to the Drawers of Industry and Charities. But, on the other hand, it was deemed unwise to segregate the sexes during school life. To do so was unnatural and contrary to the laws of Nature. As a result of this theory, which without doubt was the correct one, all boys' schools and young ladies' academies were abolished or made to receive both sexes. Experience had proved that when educated apart, unnatural tendencies were developed which unfitted the person from becoming the fully rounded-out character possessed by those who had not been deprived of the social relations of the opposite sex. There was a good deal of opposition to the ban placed on segregating the sexes; but when looked at from the standpoint of reason and common sense, its wisdom could not be gainsaid.

The idea of great universities was also abolished. When the scholar had completed his high school course, he had arrived at that age and understanding when he could decide what special line of work he wished to take up for life; and whatever that work might be, there were colleges which taught all branches necessary



to give him a thorough and complete education in the line of work selected. The length of these college courses depended upon the line of work chosen. If a person chose a profession, the course would be much longer for a physician and surgeon than for a dentist or an editor, and longer for a lawyer than either of the others; the reason for this was, that while the student should be as skillful in the line of medicine as the student in the law, yet the vast accumulation of precedents and changes in the principles of legal ethics so constantly increased each year, that to be thoroughly grounded in all branches of the law, more time was required of the student each succeeding year.

If the person chose a commercial life, the college course was much shorter than that for the professions. But when any of the college courses had been completed, the student had been drilled in all the learning to be had in his particular life work.

These colleges were not located in large cities, but were distributed throughout the country and located in small cities or large villages.

At the colleges, too, there was coeducation of the sexes, for there was no work which a woman might not take up if she chose, and she was given the same course of training in that work as was given her brothers.

Such was the system of education devised for the country at large. In cities the same general rules were

followed as closely as possible. Every child of school age was carefully looked after, and his attendance at school during the prescribed period enforced.

When through with the high school courses, the city students entered the same colleges as the country students, and there was no favored institution where wealth and not brains was the requisite of admission.

Those children, rescued from the slums during the period of elimination, were taken to the country and distributed among farmers, where there were always good homes to be found for them. They were taken care of at the instance of the Drawer of Charities, which compensated the guardians liberally, and they were given the same course of instruction which other children received.

The idea was to make every child a valuable asset of the country by making him a good intelligent citizen, and at the proper age through the system of the Drawer of Insurance providing him with a suitable sum to commence life for himself, unhandicapped, but equipped for any trade or calling he might choose.

Those great universities which had been the pride of their founders and of the devotees of Centralized Wealth, were used as far as possible in carrying out the plans of the new system; but no more were there assembled a heterogeneous body of students, a small part of whom were bent on acquiring an education,

while the only aim of the larger part of the students was to act as "rooters" for their favorite teams of athletes.

Under the new system, if a person wished to become a professional athlete, there were colleges to train him in whatever line of athletics he chose to train for; but unless he was to become a professional, there was no place in such a college for him. When the would-be "rooters" finished their high school course, as there was no especial life work for that class of humanity, they were obliged to make a selection from some one of the useful trades or professions and fit themselves accordingly. But no one was obliged to take a college course at all. With the completion of the high school course, or having arrived at the age of eighteen years, every child was free to select such life work as he chose; for no matter what might be the selection, there was work for all. But the high school course paid particular attention to developing every trait and talent that would lead the student to make a wise selection when the time came.

Under such a thorough system of instruction there was no illiteracy; neither was there any superficial education. The laborer in the cornfield knew as much about the work he was engaged in, including geographical, geological, chemical, and climatic conditions necessary for a bountiful harvest, as the chemist in his laboratory knew about the combinations of the elements he had to deal with, or the teacher about the particular

branch of learning taught by her. No one had a monopoly of knowledge, nor of any branch of it; every one's learning was specialized. Every person could specialize in as many branches as he saw fit, but as every branch required a certain number of years, if more than three or four branches were taken up, his whole life would have been wasted; for the object of study was not to hoard knowledge without making use of it, but to acquire so much as would enable the student to become a useful member of society by imparting his knowledge to others, not as a teacher, but by personal activity in the work specialized.

It will have been noticed that the entire school system was under charge of the Federal Government; whereas, under the old system, the public school system was in the hands of the several states.

With the advent of The Distributors, it was found that a perfect government could not be established without coöperation with the several states; and for the purposes of unity, the states surrendered their rights to control the system of education to the Federal Government, as the only means of enjoying the complete benefits of the new system put forth by the Drawer of Education.

But as other rights were also surrendered, this report will show in another part how the whole doctrine of states rights was treated by the government of The Distributors.

## CHAPTER XII

### NATIONAL DEFENSES

THUS far this report has shown only the preliminary works of the various divisions of the Department which had charge of the collection and distribution of the Public Wealth ; but before proceeding farther, we must turn to other departments of the government and see in what way they coöperated with the Department of Wealth. For it must not be supposed that they had been idle while the great works and transformations were being wrought through the youngest of the government's departments.

A great war between the largest and the smallest of the civilized powers had taught a lesson which was quickly learned by the American people, and that was, if they would prevent the invasion of their country by any hostile power, they must provide such defenses as would not permit the army or navy of any foreign country to approach within fighting distance of her borders.

The Atlantic and Pacific coasts were dotted with many large and opulent cities, and, with the type of battle ships which had been constructed during the first decade of the twentieth century, they were entirely at the mercy

of any foreign power that might see fit to attack them, for those powerful sea-fighters were capable of throwing shells a distance of thirty miles with great accuracy. If some nation with a grievance against the United States could not be pacified, how easy to send one of her fighting monsters and, getting the range of a large city, though out of sight, drop a few shells into her crowded thoroughfares! What ruin and destruction of life and property could be wrought without warning! While the nation was at peace with all the world, yet the government of The Distributors had the good sense and prudence to provide against any such contingency, and steps were at once taken to guard against any such future calamity.

The work of coast defenses suggested by the Bureau of Distribution was turned over to the War Department as being better able to carry out that line of work than any subdivision of the Department of Wealth. Unlimited sums were appropriated to be drawn from the Bureau as the work progressed, and no limit was placed upon the amount that might be expended by the War Department under proper supervision.

The War Department coöperated with the Navy Department, for it was clearly seen that a thorough coast defense could not be provided by either Department alone.

The building of the huge battle ships had taught

another lesson. It had taught that they were an easier mark than the smaller ships, while their great size, though they permitted of great speed in a certain direction, was so unwieldy that they could not be used with that advantage which a smaller ship could be used. And, while it might be policy to invest \$10,000,000 or \$15,000,000 each in a few large battle ships, as other nations were doing, yet for the proper protection of her coast cities against the larger ships of a hostile nation, many small sea-fighters would be the most serviceable.

Consequently, a small battle ship was devised known as a guard ship, which had a speed equal to any vessel afloat, and which possessed an armament capable of piercing the thickest armor ever produced.

These guard ships were so small that the full complement of men required to man them did not exceed one hundred, so that if by chance one of them were hit by a shell from the enemy, the loss of life would be reduced to the minimum. They were to patrol the entire coast of the Atlantic and Pacific boundaries and so near to each other that each guard ship was always in sight of at least two other guard ships. The distance from the mainland at which they were stationed was forty miles. They were equipped with wireless telegraph and telephone apparatus, and were in constant communication with each other and with the defenses on land.

Besides the guard ships there lay at anchor in the harbor of every large city two of the largest battle ships, while the smaller cities were provided with two of medium size. If occasion demanded, the guard ships could call out these large ships and assemble so many of their own number on an instant's notice as to form a most powerful navy. The coast line was also one continuous line of forts armed with guns that could annihilate any ship afloat at a distance of twenty miles.

It was not a spirit of "Jingoism" which prompted such elaborate coast defenses, but the natural prudence which every civilized country ought to exercise in protecting the lives and property of her people, and were no more elaborate for the protection of the government against a foreign foe than some of the interior cities had provided for protection against the lawless element of the country itself under the old form of government, though of course upon a smaller and different scale.

The long boundary lines between the United States and Canada on the north and Mexico on the south were protected from invading armies by a continuous line of forts armed with guns having a range of five miles. The cities of the Great Lakes were also protected by a line of guard ships of a smaller type than the ocean guard ships.



To be sure, the work of constructing such elaborate defenses was an enormous undertaking, the cost of which ran into billions of dollars. But the country had become a billion-dollar country, and it was deemed prudent to use billions in protecting billions. And as the cost came from the distribution of the Public Wealth and was not a burden upon the people, it made the country that much more prosperous, and gave employment to millions of men during the period of construction, and permanent employment to other millions in manning the ships and forts and providing their supplies.

There was one other danger which had not been provided for or taken into account when the defenses were first planned, but the evolution of the air ship made that mode of attack a most formidable one which had to be reckoned with. With all the elaborate defenses for preventing the invasion of the country by sea and land, there was nothing to prevent a hostile country from sending a battle ship of the air sailing across the country, dropping explosives here and there, to the utter destruction of everything in its course. While there was an agreement among civilized nations that such destructive methods of war should never be resorted to, there were other nations just emerging from the darkness of a semicivilized state to which this agreement did not apply, and there was danger that some such

nation might at some time see fit to take advantage of this kind of warfare.

To provide against such a calamity, a new agreement was made with the powers of the world, that in approaching a foreign country all air ships should descend and secure proper passports before proceeding to the interior of or across foreign territory. That any air ship failing to do this was to be considered the instrument of a hostile country, and subject to destruction by any means which might be employed.

And to destroy any such hostile air ship torpedo balloons were invented which could be made to ascend in any direction, and which could be operated by electricity in much the same way that a torpedo boat could be operated in the water from land. They were charged with explosives which, at the proper moment, could be ignited, and no air ship within five hundred feet could escape destruction. Every guard ship and every battle ship and every fort was equipped with these torpedo balloons, but aside from practice, they were never called into use.

It was not the policy of the government to keep a large standing army outside of the boundary line forts; yet the entire nation was one vast army which could be mobilized to the extent of twenty-five millions of trained soldiers. For every citizen was drilled in a certain amount of tactics during his school life which made him

an efficient soldier in time of war, and not without that knowledge of the art which characterized the citizen soldiery of the country during the war of the Rebellion, in which so many lives were uselessly sacrificed through ignorance of civilized warfare.

The government maintained its own military and naval training schools, but the graduates from those schools were given no preference over others whose genius might entitle them to superior ranks.

Every city had its own militia, which, instead of being controlled by the state as formerly, was under the exclusive control of the Federal Government.

If occasion required that troops be sent to any locality, the militia of any city was subject to call. Prizes were given by the government for efficiency in drill, target practice, and maneuvers, and a liberal allowance for every day spent in practice created a strong spirit of rivalry between various cities, all of which resulted in a large and efficient fighting force always ready, without any appearance of the country's maintaining a large standing army.

The total number of men subject to call from the militia of the various cities alone approximated five millions.

Thus it will be seen that this most powerful, prosperous and peaceful nation was at all times ready to cope with the most powerful combination of human forces that

could be directed against it. It was a sad commentary on the human race as a unit. But it was only another illustration, and on a larger scale, of the unequal creation of men, and the dangers they were in from others of their own kind.

## CHAPTER XIII

### MINES AND MINING

IN the evolution of matter preparatory to the advent of man, forest after forest had grown to maturity only to be crushed down and compressed by the forces of Nature into layers upon layers of fuel for his future needs.

Coal was an absolute necessity to the very existence of a large part, and especially to the most intelligent part, of the human race. But it was never intended by an all-wise Creator, that an element of such universal consumption should fall into the hands of a few individuals to be distributed by them to the public, and for which they could exact tribute to the end of time. But in that great territory of the United States so rich in all the raw materials needed for man's wants, and rich in her deposits of coal, through one cause or another the title to her great coal mines had fallen into, and had become centralized, in a comparatively few private holders, who fixed the prices at the highest figure the traffic would stand, and the profits after the costs of mining and shipping were deducted, which were enormous, went into the pockets of the owners of the mines, who

were no more entitled to those profits than the utmost stranger.

In the first place, those deposits were for the general use of mankind, and, subject to the bare cost of mining and shipping, every human being had as much right to the free use of those deposits of coal as he had to the air he breathed. But under the old system of government that view of the case had not been taken; and without ascertaining whether certain lands were coal-bearing or not, and without any reservations in the deeds of all coal which might be found on them, the government had given absolute title to those lands which included not only the surface, but extended down to the center of the earth and as high as the heavens. And, by systems of manipulation, these coal lands at last became centralized, and the great public became the dependants of the owners.

If strikes occurred among the miners, as they sometimes did, and the owners refused to accede to the demands of the miners, the whole country might suffer, even to the point of freezing to death; simply because the coal barons, not satisfied with the profits they could squeeze from the public, were bent on squeezing a few more cents on each ton from the pockets of the men who mined the coal. The government in its weakness could do nothing. But in one of those strikes the Chief Executive of the nation, a man who had convic-

tions of right and wrong, and courage to assert his convictions of right at all times and on all questions, took the matter into his own hands, when suffering was at its greatest height, brought the warring factions together, and secured a compromise between owner and miner, and relieved the suffering people.

But such a peace was only temporary, and like conditions were likely to recur at any time.

When The Distributors came into power, they took hold of the question of coal and settled it in such a way that similar suffering could occur no more.

Laws were enacted whereby the entire coal lands of the country were confiscated. Where mines had been in operation, the owners were compensated for the existing machinery, and a surface value of \$100 per acre for the land, the average price of good agricultural lands, was paid; for it was argued that the government had no right to part with those lands in the first place, and if the owners were paid a sufficient sum to acquire a similar amount of agricultural lands, the government had done its duty, and the owners could not complain.

But the government had no intention of working those coal mines as a national enterprise. That was not its policy. But it gave the public the right to bid for the work of mining coal, and the man whose bid was lowest for mining a certain number of tons was

awarded that specific amount. The needs of the country were estimated from year to year; and each year the amount determined upon was advertised, and bids invited.

By this system there were not only no profits charged the consumer for the coal itself, but the cost of mining, by reason of its being done by competitive companies, exercised all the genius and talent at their command to produce the mined coal at the lowest possible figure, the benefit of which went to the consumer, which would not have been the result had the government undertaken to operate the mines itself.

But, on the other hand, while bidders were required to bid against each other, and to the lowest bidders were awarded the contracts, yet, in fixing those prices, the competing companies had to agree upon a uniform scale of wages to be paid to the miners, which scale was alike satisfactory to the miners and the government; the difference in bids, therefore, having to be accounted for by the superior facilities outside of manual labor possessed by one company over another for producing the mined coal. The consumer was given to understand that he would receive his coal at the lowest possible cost, but that that price should never be at the expense of the man who performed manual labor in or about its mining and shipment.

If it were necessary to develop new mines, or if old



machinery had to be replaced, those items were figured in as part of the cost, for, while the consumer might have to pay an extra price one year by reason thereof, he would be compensated in other years by reduced prices.

The same rules applied to all hard and soft coals, except in those regions where there were but thin layers of coal a few feet below the surface which the land owner was permitted to retain and mine for his own use. But when any considerable mine was opened from which a supply could be obtained for the public, the general rule applied and the government took possession of the lands.

In the shipping of coal from the mine to the consumer, a maximum rate from a certain mine to all points was fixed, which would afford a reasonable compensation to the transportation company without being an excessive charge to the consumer. If there were competitive lines between the same points, bids were called for, and the lowest sum bid would be the established rate for all shipments for the ensuing year, and the rival lines might then get such business as they could secure. The only advantage to the companies in making a competitive rate below the price fixed by the government being that the line which made the lowest bid secured the business of the government from that point for the year. Beyond the lowest rate bid, companies were forbidden to

go in soliciting traffic, and rebates were absolutely prohibited.

If there were waterways and railways between the place of shipment and other points, the maximum rate was fixed with reference to that condition, and if the railways then saw fit to compete with the water transportation companies, they might do so; otherwise, the maximum rate prevailed, and the securing of business at the maximum rate was a free-for-all.

To prevent a dearth of coal in any part of the country, which might occur at any time by reason of unforeseen circumstances when estimates were made, every shipping terminal in the country was always kept supplied with an extra stock pile sufficient for one year.

The consumer bought his supply of coal direct from the government, which had coal stations at every place where there was an established post office. This system was a great relief to the consumer, who no longer need fear that his business would be interrupted for lack of fuel, and the family had never again to experience the discomforts of the want of it for cooking or heating.

The same general rules applied to all consumers, transportation companies, manufacturers, and private consumers alike. No railroad company or steamboat company was allowed to mine its own coal, as many had

been doing under the old system of private ownership to their great advantage over competing lines.

At first thought it may seem, and it so seemed to this committee, that *all* mines should have been treated in the same way as coal mines, but the Federal Government did not so consider, and after thorough investigation the committee is convinced that the views of the Federal Government were correct.

Coal was the only product of the mines in universal demand which did not require some special treatment besides the mere mining and shipment before being ready for use by the consumer.

Iron mines produced ore of greater value than all the coal or gold mines of the whole country; and iron ore was in universal demand. But before iron ore was of any use to the consumer, it had to be reduced from ore to metal; and the metal had to be shaped into the particular form required by the consumer. It followed, therefore, that the iron mines were not subject to the same rules as coal mines, but should be left to the ownership and operation of those men or companies whose genius could devise the best and cheapest methods of mining and converting the ore into the completed product. But the government did draw the line as to what a corporation might do and what it might not do. While a corporation might own an iron mine and operate it, and might transport its own ores in its own cars or

ships to its own furnaces, yet it could not own its own coal mines nor mine its own coal.

As certain large corporations had contrived to gain control of vast tracts of coal lands and iron mines, they were a menace to the small owners of iron mines, who might be utterly put out of business for lack of requisite coal. It was a serious matter to those combinations which had secured control of the majority of the coal and iron mines alike, but there was no appeal, and they were obliged to submit to the inevitable.

Certain individuals and companies had come into possession of enormously rich copper, gold and silver, lead and zinc mines, and those products were also of universal use; but not until the ores had been especially treated were they of any use to the public. So the government said, "Let the owners operate those mines; the products are not so absolutely necessary for the sustenance of life as is coal, and when the owners pass away, the law of distribution will take care of the profits and return the same to the people."

Oil was a commodity of universal consumption, and while thousands of producing wells supplied the raw material, a single company by its system of pipe lines for transportation, and its refineries for converting the crude oil into refined products ready for use, controlled the bulk of the oil business not only of the United States,

but had gotten its clutches on the oil business of the world.

The prices of the refined products had been lowered far beyond the lowest prices charged before the monopoly gained control; enormous fortunes had been made by men connected with the company; and the question which confronted The Distributors was whether it was right to allow this monopoly to continue or to treat the oil fields and the refineries as it had the coal fields. A thorough study of the subject convinced the government that it was for the best interests of the people at large to have the company continue. Why? Because the monopoly had not secured control, nor had it attempted to secure control of the oil-producing lands; it had secured control of the refining business by methods that the government should not have permitted, and without which, such as secret rebates and commissions on shipments of rival companies, its enormous profits would not have accrued, which had given it its real advantage over all rivals. The low price at which oil had been furnished the consumer, the right which any other company had to construct pipe lines and enter the oil fields in competition with it, were not parallel to the private ownership of coal fields, where the owner fixed the price at all the traffic would bear; and in their case, as with the mines, the government determined that the company might continue, while the law limiting the

accumulations by its members would finally disintegrate their estates and return the surplus profits to the people.

But that no similar monopoly should ever accrue in any other industry, the government provided for a close inspection of all contracts between producers, transportation companies, and consumers.

Thus a distinction was made between a monopoly which a company might create in any industry through its own genius, and a monopoly created by taking possession of the finished products of Nature.

It will be observed that in every detail of the government of The Distributors, the central idea, aside from the distribution of Wealth, was the *creation* of wealth by stimulating all private industries and fostering competition, which at the same time developed and brought out to the fullest extent all of man's latent talents.

And yet, while the oil monopoly was a seeming menace to smaller competitive companies already existing, yet such safeguards were thrown around them by restricting the methods of the monopoly, that they thrived, and in time were able to hold their own position in any market of the country.

With the confiscation of the coal lands by the government, a new world was opened to the men who had spent the major portion of their lives where the light of day never entered. Under the old system, thousands and thousands of children, whose parents were coal miners,

were placed at work as soon as they were able to do any kind of work about the mines; they received no education, but grew to manhood and old age and finally passed away without ever having experienced any part of the pleasures of life which it was their right and privilege to enjoy.

All this was changed, and the children of the coal mines were required to attend school and receive the same educational training required of other children.

The scale of wages fixed by the government, and which was satisfactory to the miners, was sufficient to enable a man to support his family in comfortable circumstances by working eight hours per day and five days in a week, the limit which was allowed for men to work in the mines.

The rest of the time could be spent as they chose. A man could work about his home, or he could spend the time in study, and many a miner whose face was so smeared with dust that his nationality could not be vouched for while at his work, possessed a better knowledge of the world and its train of current events, and was more refined, than the average politician of the days before the crisis.

To these people and their families life became altogether a different problem. They were a part of the great world; the world depended upon their labors as much as it did upon the coal they mined. They

performed their labors, and in return the government educated them and provided a competence for them in the distribution of the Public Wealth, besides the wages they received.

They understood and appreciated all this, and when they came to shuffle off this mortal coil, they had filled a place in the economy of the nation equal to that of the most exalted citizen. This they also understood, and they lived in peace and contentment.



## CHAPTER XIV

### THE POSTAL DEPARTMENT

THE one Department which was the pride of the old system of government was its Postal Department, which was ever held up by the advocates of municipal ownership and operation of all public utilities, and by those who advocated governmental control of all industries, as a shining example of what might be accomplished by the government in other lines.

But the truth was, that no more inequitable service was ever rendered by a government to its people, than that rendered by the Post Office Department of the United States before The Distributors came into power.

The larger majority of its employees were no better paid than were the workers in the sweat shops; and particularly its rural mail carriers, who were required to make a daily trip of twenty-five miles, furnish their own team and conveyance, and pay all expenses, were so poorly paid that at the end of the year the carrier who had managed to pull through without running behind could count himself lucky.

But even with its rigid economy in the matter of paying its employees, the Postal Department was never self-

sustaining, and while such condition might be in part attributed to the increased service given the public, yet if any private enterprise had been carried on in the same manner, it would have gone bankrupt.

But every year the Postal Department could draw upon the general funds of the government to meet any deficiency that might exist, which amount was usually estimated in advance and the necessary appropriations to meet such deficiency provided by Congress.

To show what inequalities existed in the service, and how such inequalities worked to the advantage of a few and to the disadvantage of the many, a few illustrations will be given.

The country was large, stretching nearly four thousand miles from ocean to ocean, and nearly half as wide from north to south.

The rate for sending a sealed letter to a person residing in the city of delivery was just as much as it was to send it to the most distant city of its territory. The same rule not only applied to letters, but to all classes of mail matter, except that newspapers published at the office of delivery had special concessions in its rates of postage paid. In time there grew up certain large mercantile houses in various cities known as "mail order houses," which dealt in every commodity under the sun. Their customers were scattered the country over, and all purchases were made through the mails.

For the purpose of informing their customers what lines of goods they carried, and to facilitate them in making orders, as well as to secure the orders, voluminous catalogues were issued and sent by mail to every patron of a rural mail route in the land, and the Postal Department delivered those catalogues to the customer two thousand miles away for the same fee that it charged for delivering it from the post office to the nearest patron on a rural route. These catalogues were illustrated, and a person could remain at home and order anything from a mail-order house, from a lead pencil to a grand piano, as easily as he could step into a store and make a personal selection. So, when any article was required, instead of going to the local dealer as of old, the rural customer would select the number of the article from the catalogue, send in his order, and in due time receive the goods. He might be a customer living two thousand miles from the city to which his order was sent, and he might live but two miles from the nearest local dealer, and instead of going to the local dealer to price the goods wanted, would purchase the article by mail from the catalogue house. For the catalogue house had written the customer a personal letter which had kindled a spirit of pride in the customer, who thought he must be somebody if a great big business firm in a city could write him a letter, him who lived two thousand miles away, while the local dealer never

took the trouble to ask him into his store. Now the article purchased might not weigh but three or four pounds, and if so, the mail order house would send it by mail, and it would be delivered right at the customer's door. So the big house of the city came into direct competition with the small dealer of the local town. Now no one could object to the mere matter of competition, but when the Government stepped in and said to the local merchant, "If you write to your customer residing two miles out of town, or send him a package of merchandise by mail, you must pay just as much as the merchant in the city, two thousand miles away," the government was doing just what it ought not to do. It was not only facilitating the city merchant in securing the rural customer's order, but it was actually paying the freight on millions of dollars of goods every year, which benefited the city merchant to that extent, while the country merchants suffered in proportion. It was all wrong, and the thousands of country merchants had the right to make the vigorous protest which they did, but which had been of no avail.

Again, it was not right, nor just, nor equitable to charge one as much for sending a piece of mail ten miles as it charged for sending the same piece five thousand miles. For while it might be of convenience to the party who sent an occasional piece of mail that distance, it was a burden to the person who wished to send a thousand

pieces of mail regularly to a place a hundred miles away. Yet, such was the system under which the postal schedule of the country was arranged.

The telegraph and telephone companies and the express companies of the country were all owned and operated by private companies. They based their schedule of rates on the distance the message or package was carried. They performed their services with the same "celerity, security, and certainty" which characterized the postal business, but they were self-supporting, besides paying dividends to their stockholders.

There was justice in their methods, and competition controlled their rates, which were reasonable, and yet sufficiently compensatory.

If a private company could handle package business satisfactorily, why could not a private company handle the postal business better than the government? There were those who thought it could, and when the Congress of The Distributors took up the subject of revising the postal system, a proposition was submitted to Congress, whereby it was proposed to take over the entire postal business of the country, conduct it without cost to the government, and pay the government a reasonable rental for all its property used in the service. And the proposition further provided that the private company would agree to save the people at least

forty per cent over the existing rates and to put up a bond of \$5,000,000 that it would carry out the contract.

It was a unique proposition and engrossed the attention of Congress for nearly a year before any determination was arrived at. Then Congress submitted a counter proposition to the company, which in effect was that, "If the company would agree to take entire charge of the postal business for a term of ten years, utilizing all postal property of the government for a rental price to be agreed upon; and if the company would agree to transmit and deliver all mail matter to any part of the territory of the United States, including Alaska and her Island possessions, and would fix a schedule of rates in proportion to the distance, satisfactory to the government, taking one hundred miles as a unit of distance, and would put up a bond of \$20,000,000 for the faithful performance of the service"; then Congress would enter into such a contract with the company, to be renewed, if satisfactory to all parties, for a second period of ten years. It was not considered a proposition that would be acceptable to the company, but to the surprise of Congress and the public, the proposition was accepted and the bond filed within thirty days, which of itself showed that the company better understood the meaning of the words "celerity, certainty, and security" than Congress did.

It fixed a schedule of rates, which was acceptable to Congress, as follows:—

Sealed letters weighing one ounce or less,  $\frac{1}{2}$  cent.

Open circulars weighing one ounce or less, 25 cents per hundred.

Newspapers and periodicals mailed by publishers, 2 cents per pound.

Newspapers and periodicals mailed by individuals, 5 cents per pound.

All other matter, 3 cents per pound, and limited to packages not exceeding ten pounds.

Thus the rate for all classes of mail matter within a radius of one hundred miles was very low; within a radius of four hundred miles, it equaled the old universal rate on first-class matter, while the person who sent a letter three thousand miles would pay 15 cents. But there was reason and equity and justice in such a schedule, for the party who sent a letter that distance once a month, would send a hundred letters to points within two hundred miles, in that time.

For a time after the contract was signed, there was consternation among postal officials and employees who were afraid they would lose their positions. But there was no cause for alarm. Instead of diminishing the number of employees, the Postal Company immediately increased the number, and increased the pay of certain clerks and low-salaried officials, and doubled

the compensation of rural carriers; for the package system was about to be inaugurated, which would require extra work, yet give them an opportunity of doubling their earnings with but slight increase of expense.

The cheap postage for the shorter distances increased the postal business in all classes of matter enormously. Where formerly the business man sent out a hundred letters, he now sent a thousand, and the firm which sent out a thousand sent out ten thousand. The local merchant could send a ten-pound package to his country customer for 10 cents, which was a special rate made for distances under ten miles.

But the mail order house a hundred miles away would pay 30 cents, or \$6 if two thousand miles away; so the unfair competition of the city merchant was destroyed and no harm done to the customer, for the local merchant could always compete in price with the mail order houses if given an opportunity, both as to prices and qualities of goods.

The postal business between places long distances apart did not diminish, and, with the increasing and universal prosperity of the country, rapidly increased.

Postage stamps were discarded by the Postal Company, as being a useless, expensive, and dangerous method of paying for the transportation of mail. Useless because not necessary; expensive to the company which had to provide them, and to the user who had to



affix them; and again, expensive to the company, which had to see that they were carefully canceled. Dangerous because of their liability to be stolen, or duplicated.

All mail matter was paid for at time of delivery to the collector. Firms which mailed a large number of letters called for a collector. Private parties who wished to drop letters in boxes for collection dropped the proper amount of postage in pennies inserted under the fold of the envelope. For letters costing but half a cent, small brass checks could be purchased representing that sum, which could be attached to a letter with great facility and could be used by the company over and over again.

A great deal of red tape of the old system was eliminated, and the service to the public was bettered in every way. Service was prompt; and instead of running the business to suit some officials, as it had been run, everything was done to accommodate the public and secure increased business.

The package business became enormous, and after the business had been in the hands of the company a few years and the rural highways had been completed by the Department, the Postal Company established regular lines of auto postal cars which increased the facility of rural delivery to such an extent, that where formerly eight hours had been taken for a round trip of twenty-five miles, it could now be made in two hours. The building of the highways by the government had

redounded to the benefit of the Postal Company in a way that it had not anticipated when the contract was made with the government, and had enabled it to increase local business to such an extent, that at the end of the first period of ten years the net profits of the Postal Company, after all expenses had been paid, were \$150,000,000, or just double what the company had figured on when the proposition was accepted by it.

It was a great revelation to those parties who had prated of government ownership and operation for all public utilities, and when the contract was renewed for the second period of ten years, there was no popular clamor that the postal business should be conducted by the government.

In the first ten years of private postal control, instead of having a deficit of several million dollars, the government had actually received from the Postal Company in rentals for its property a sum equal to fifty per cent of its cost, which, considering the excessive cost of some of its Federal buildings, was an *unreasonable* rent, and more especially so when compared with the rental values of other property in the same localities.

Under the terms of the contract all foreign postal business was carried on as provided for in the treaties with various nations, and as to those countries the same rates and rules applied as were in existence under Federal control.

The money order business was conducted the same as the express money order business, and instead of having to present an order at the particular office upon which it was drawn, the Postal Company would redeem any order wherever presented.

Postal Savings Banks had been urged by various parties before the change in government, as an inducement to the public to save their earnings by placing them where the government would be responsible for their safety; but the idea of The Distributors was, that while some such provision should be made, it should not be an adjunct of the Postal Department, and so provided, as this report will hereafter show, a unique, safe, and convenient method of caring for the savings of the people.

The government had no desire to resume the burdens of the postal system, and when the contract was renewed for the third period of ten years, the maximum rates for the unit of distance were cut in two. It was during this period that the investigations were made upon which this report is based, and the Postal Company was found to be making large profits and giving the public the best postal service in the world.

It was protected in its exclusive right to conduct the postal business of the country by act of Congress, but only to that extent that competitors must furnish

exactly the same service as the authorized company, and as that was an impossibility for any other private company to attempt to do under the low rates and the Federal property leased to the original company, there was no danger of any competition, except that when the third period expires, the contract for the fourth period will be let to the company making the lowest rates and furnishing the required bond. This would have been done at the end of the second period, had not the company voluntarily cut its rates in two.

## CHAPTER XV

### THE DEPARTMENT OF AGRICULTURE

A WAIL of protest had gone up from the entire country when Congress removed the restrictions against Chinese immigration; but aside from the danger of their threatened competition with American labor, the chief objection to the Chinese immigrants was that they did not become citizens of the United States, and as Congress had, as this report has shown, provided by treaty with China, that in consideration of the removal of the exclusion policy, every resident Chinaman in the United States should become a citizen thereof and renounce his allegiance to the Empire, the only objection was the question of labor.

There were certain industries which could be carried on in the United States with profit; industries which ought to be carried on to make the nation a perfectly independent one. Among those industries was the production of tea and silk. The people of the United States were the greatest tea drinkers in the world outside of China; and more silks were consumed by them than by any other nation, not excepting China herself with her half billion population.

For years the Department of Agriculture had been experimenting with the culture of tea and the propagation of the silkworm. Success had been met with in both instances, and those industries had been permanently established; but to thoroughly develop them and make them produce a supply equal to the demands of the nation, something was needed besides the protecting power of the tariff. The one thing needed was the Chinese laborer, who, more than any other, knew how to produce the tea for the market and the raw silks for the looms. But as for years the Chinaman had been prevented from coming to America, these two infant industries languished in embryo for lack of the necessary nurses to develop them. The Commissioner of Agriculture brought the attention of Congress to the matter, and showed how necessary it was that Chinese labor should be employed; and that great legislative body, viewing the question from all standpoints, including the humanitarian, that the Chinaman was a human being and entitled to earn a living with the rest of mankind, was quick to see the foolish and narrow policy theretofore pursued by the nation in excluding the very people so necessary in producing those two great staples of American consumption; and, without further ado over the question and without asking the labor organizations of the country for their consent, immediately negotiated a treaty with China along the lines heretofore indicated.

The result was that in the next fifteen years America was producing as much tea and raw silk within her own territory as necessary for the demands of her people; while the labor which produced those staples was Chinese labor, which had not come into competition with any American labor. And not only that, but the Chinese population of the country created a home market for other American productions, while the friendly spirit engendered in the Empire by the new treaty quadrupled the demand for American exports.

In the early settlement of the country, and in the later settlement of the vast plains west of the Mississippi River, certain individuals had lawfully come into possession of large tracts of agricultural lands, which were in danger of becoming perpetual landed estates like those of Europe.

The Commissioner of Agriculture called the attention of Congress to this danger, also, and showed how necessary it was that something be done, for while the law limited the amount of wealth a man might accumulate and dispose of, yet the amount which he might actually retain in the way of estates in his own name and the names of his immediate family would be much larger than should be permitted. That it should be the policy of the government to permit every person who wished, to occupy a certain amount of real estate for cultivation, but if the agricultural districts were per-

mitted to become centralized into vast estates controlled by a few, the policy of the government would be defeated, and the nation would soon have an unwieldy class of land barons on its hands. Therefore Congress recognized the wisdom of the suggestion, and enacted laws limiting the amount of agricultural lands which a person might own, to eighty acres for himself and each member of his family. This gave every married couple the right to own one hundred and sixty acres and the right to purchase eighty acres more for each child born. If the child died before becoming of age, the parents might still be permitted to retain the extra amount of land, but when the child became of age, if his parent had purchased land up to the limit allowed by law, he could demand a transfer to him of the land bought for his portion. This limitation of the size of a farm was for the purpose of giving every person who chose farming for a profession, the right and opportunity to own a share of the earth in his own name, but no more than would yield a good income for his family, nor more than he could successfully cultivate. It also had the effect of making farming more intense; of making one acre produce what three or four acres had produced where farms had been large and cultivation not properly attended to; and it had the effect of stimulating and elevating farm life to a dignity which commanded the respect and esteem of all classes. Under the system of the distri-



bution of wealth, it was possible for every farmer to own his own farm, and not to be under obligation to cultivate the soil as the vassal of some wealthy landlord.

Men became independent, and instead of working for wages, the young man possessed his own little farm over which he was monarch of all he surveyed. When he married, his wife either brought to the family an equal amount of land, or he was permitted to buy an additional eighty acres; and, as children were born, other tracts could be added, so that the family with half a dozen children might possess the princely estate of six hundred and forty acres. But with the coming of age of the oldest child, it would commence to disintegrate, and when the surviving parent had passed away, any portion of the estate not disposed of would be subject to sale by the executor.

It might be supposed that this limitation would prevent the more successful farmer from accumulating that proportion of land which his genius as an agriculturist might entitle him to possess, but it must be remembered that the genius of an agriculturist depended not upon the greatest number of acres he could successfully till, but upon the amount of products he could raise from the least number of acres.

The methods of farming had become completely revolutionized during the years near the end of the nineteenth and the beginning of the twentieth century,

and instead of the farmer leading an isolated, lonely humdrum life, and depending upon his weekly newspaper for the news of the day, the establishment of the rural mail delivery brought his mail to him daily, and the telephone placed him in direct communication with the whole country, and the average farmer could converse as intelligently upon all subjects of current history as the business or professional man of the city. The electric railways also helped those farmers living near the line, and every farmer could have a shipping station right at his own farm.

But if these innovations were revolutionary to farm life, the government of The Distributors and the new inventions of later years completely annihilated the old-time customs of country life.

The improvement of the country highways enabled the most remote farmer to ship his produce, as we have seen, as easily and cheaply as the suburban farmer. The wonderful storage battery provided him with light for his home, and power for every purpose.

The dairy sections of the country were among the most prosperous and were the most highly cultivated; but milking time was the bane of every dairyman's life until the automatic suction devices were perfected, which enabled one operator to attend to the milking of forty cows, which took no longer, and was as harmless to the animal, as the old way of hand milking.

No matter what might be the class of farming carried on, wherever physical strength had been required before, power could now be used with a saving in time and muscle.

The new school system placed the children of the most remote farmer on an equality with those of the city.

There was more time given to personal culture and to the flower garden, for the farmer had more time to spare. The rudest and most uncouth laborer that ever lived had within him that love of the beautiful which appreciated the fragrance and loveliness of the most delicate flower; but when humanity was struggling for existence, when the wealth created by the laborer was being centralized in the hands of the few, there was no time for personal culture, nor for the cultivation of the flower garden, and the dooryard of the average farmer was anything but a thing of beauty, while the individual was a diamond in the rough.

Even the horse, that most intelligent of all lower animals, profited by the new way of living. No longer was he the drudge of old; but the few horses kept upon the farm were used more for pleasure than profit as a mere matter of economy.

Under such conditions of country life it was not surprising to find a people universally intelligent, well cultured, and highly prosperous.

And a well-cultured prosperous citizen is the most valuable asset a nation can have.

## CHAPTER XVI

### PARTIES AND PLATFORMS

AT this stage of the report it is deemed best to take up the political situation and the platforms of the dominant party, that industrial conditions other than those in which the distribution of the Public Wealth was a factor may be better understood when they are described.

From 1859 to 1912 the two leading political parties of the United States were the Republican party and the Democratic party. The Republican party was the outgrowth of the antislavery agitation and elected as its first President, that great emancipator, Abraham Lincoln, who was looked upon by those of the opposing party who were humanitarians, as second only to Jesus Christ.<sup>1</sup>

When the Civil War was over, the Democrats of the

<sup>1</sup> A certain village in Wisconsin not many miles from where the Republican party had its birthplace was an out-and-out sympathizer with the South during the days of the Rebellion, and the leaders became known as "Secesh Democrats." One of these leaders, however, after the war was over, though he remained a Democrat to the day of his death, yet had such admiration for the character of Lincoln that he said, "Any man who could free four million human beings stood next to Jesus Christ." And this man was no ordinary man, but a thinker and a philosopher, and one of his sons became a

North and the former slaveholders of the South united as one party, and from that time down to 1913 the President of the United States represented one or the other of the two great parties.

While the two parties were divided upon several important questions, the one great issue which was ever before the people was that of the tariff. The cost of running the government, aside from the receipts from the internal revenue taxes derived from the manufacture and sale of intoxicating liquors, tobacco, and other proprietary articles, was derived from the customs duties of the country collected on the importation of foreign-made goods.

Both the Republican and the Democratic party conceded the right and necessity of levying sufficient duties to meet the expenses of the government; but while the Democratic party believed that those duties should be levied only on such commodities as could *not* be produced in the United States, and who were called "Free Traders," the Republican party believed that for the purpose of fostering American industries, upon every commodity which might be produced in the United States an excessive duty should be placed, while upon commodities which could *not* be produced, the

staunch Republican and served his country well as Assistant Secretary of War under the McKinley Administration during the critical period of the Spanish war. — THE EDITOR.

duty should be as light as possible; and they were called "Protectionists."

The same question, "Free Trade or Protection," had been before the people ever since the birth of the republic, but never became the dominant issue that it did after the Civil War.

Under its system, as carried out by the party in power, the Republicans, great and rapid development was made in all parts of the country, and railroads were extended in every direction. The Free Traders argued that the protective tariff added the amount of the tariff to the price of the article which the consumer had to pay, and which the American producer put into his pocket as an extraordinary profit; that the American manufacturer could afford to slightly undersell the foreign producer and thus compel the American consumer to pay him the excessive profits. Therefore a tariff should be for revenue only and should be placed only upon such imports as the United States could not produce at home, and which would not give American producers an opportunity of reaping large fortunes at the expense of the consumers.

In theory the Democrats were right; but right in theory only. The Republicans theorized that while a protective tariff might at first give the American producer an extraordinary profit, yet competition between home producers fostered by the tariff would reduce the

price of the commodity to the actual cost plus a reasonable profit. And the Republicans demonstrated the correctness of their theory.

Many of the leading imports were so reduced in price that even with the amount of the tariff added the cost to the consumer was less half what it had been before American competition made it so; and in some instances American-produced goods could be sold to the consumer at a price less than the amount of the tariff itself, or less than the foreign producer could sell the same article for regardless of any tariff.

Under the beneficent protection of the tariff American industries thrived; immigration increased; but there was discontent among the people. They were not satisfied with existing conditions. They were fairly prosperous, but the words "free trade" were as music in their ears, and they wanted a change; they wanted to be freed from the burdens of the protective tariff. So, in 1883, the Democratic party, by less than a thousand votes in the state of New York, won the electoral vote of that state, which gave them a majority in the Electoral College, and for the first time succeeding the Civil War elected their candidate for President of the United States.

The fight had been won on the question of "Free Trade or Protection," and the people said they wanted free trade.

But at the end of four years the political pendulum swung the Republican party again into power, and the Democratic plans for changing the tariff policy of the country were not completed. But the people had not been satisfied with one term of Free Trade policies; they had not experienced the change which they were clamoring for in 1883, and low mutterings were heard; and in 1891 Grover Cleveland, who had carried the Democrats to victory in 1883, was once more the victorious standard bearer for the Democratic party.

Now there was nothing under heavens to have produced any material change in the fortunes of the country to any great degree, except distrust of the party in power by the men who dominated the finances of the country. The country was healthy and fairly active in all lines of industry. Development of her natural resources was going steadily on, and the greatest industrial exposition the world had ever seen was about to be opened at Chicago.

The wonderful growth of Chicago, the city of the prairies, and her indomitable energy in securing the location of the national exposition in commemoration of the four hundredth anniversary of the discovery of America by Columbus, and her wonderful success in advertising that exposition, brought to America and to the doors of Chicago the most wonderful aggregation of the handiwork of man ever assembled; and with the old



nations of the earth the showing of the comparatively young republic was by no means to be despised. Yet there was an element at work which was soon to spread misery and want throughout the land and give a setback to her wonderful progress, and that element was the one cause which could have produced those results, the distrust by the wealthy of the party which held the reins of government.

Under the system of centralized wealth there was no power or authority to enforce its circulation. There was as much money in the country as ever; but the plutocrats locked up their safes, plugged the valves of their outgoing cash pipes, and checked all circulation. Fears and consternation spread rapidly, and the small financier soon caught the spirit of the larger ones; and even the common people closed their pocketbooks, and the country was soon as free from the circulation of money as the Sahara Desert was free from the circulation of water. Factories closed; there was no demand for labor. Labor could earn nothing; there was no demand for products beyond the bare necessities of existence, and in thousands of instances even those could not be had. The workman's dinner pail was empty, and his family was at home ragged and hungry. An army of tramps infested the land, — men who were educated and intelligent, but who, for nothing better to do, wandered from town to town and lived upon

the scraps that the dogs would not eat. And this condition of affairs existed in the land which then as now possessed the most wonderful resources of any nation on earth. Yet there was as much money as ever, but it was centralized by private parties who hoarded it and would not let go of it so long as the uncertainties in tariff legislation by the Democratic party existed. The people wanted a change, and they had gotten it to their sorrow.

At the next presidential election the Republican party with its protective tariff principles again swung into power, and all the safes and strong-boxes and every old stocking in the country voluntarily opened, and once more the circulation of money was in vogue.

Then followed twelve years of the most unprecedented success and prosperity in the history of any nation. The government bought the old French Panama Canal Company's rights and conducted that enterprise to its completion.

It took up the cause of Cuba and liberated her from the tyranny of Spanish rule, which incidentally secured to the United States the ownership and possession of Porto Rico and the Philippine Islands.

War was waged against all manner of corrupt practices on the part of officials and private industries, and there was great and nearly universal prosperity. But the mutterings of the Democratic party and its cry of tariff

reform were again heard; its theories of free trade were not dead; and the people who so soon had forgotten the disastrous experiences of 1893 and 1895 were again on the verge of seeking a change. Even those men who held high positions of financial trust in the Republican party looked with awe upon the prosperity of the country and sounded a note of warning, that the country was *too prosperous* and that such conditions could not endure.<sup>1</sup>

And yet, prosperous as was the country at that time, there were hundreds of thousands of her intelligent citizens, who, by reason of her system of centralized wealth, were living from hand to mouth, and scarcely knew at one meal where the next one was coming from, or who had not a decent suit of clothes to their backs.

There was reason, therefore, for discontent among the prosperous ones of the masses as well as among the more unfortunate citizens. While the latter lacked the bare necessities of life, the former lived in fear of the future. But the threatened dangers lay not in the existing tariffs, although, perhaps, on certain

<sup>1</sup> In 1906 the secretary of the United States Treasury, in a public speech in the City of New York, called attention to the fact that the people were so prosperous and people were living so fast that the then present conditions could not long exist, and warned the people to be prepared for the panic of the future which was sure to come.

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articles adjustments might have been made with good effect; but the trouble lay in the fact that to a far greater degree than ever before the wealth of the country had become centralized, and a recurrence of a change from the Republican Protective Tariff party to the Free Trade Tariff for Revenue Only Democratic party would again close the valves of the voluntary circulatory system of wealth, which would produce a far greater calamity than that of 1893.

Fortunately for the destinies of the country, as we have seen, inspiration had come to the country school-master who had foretold the remedy necessary to avert the impending disasters as well as to relieve those in present distress; and so rapidly had his idea been grasped by the people of all parties that The Distributors were overwhelmingly swept into power in 1912.

The cost of the government of The Distributors was to be paid for by the same system of internal revenue taxes and customs duties as before, but upon the theory as to how those duties were to be levied, The Distributors were a unit in upholding the protective principles of the Republican party.

It could not be expected that there would be but one political party; nor could it be expected that there would be but one *great* political party. In the days of the Republican and Democratic parties many other minor parties also existed. There was the Prohibition party,

which advocated the total prohibition of the sale of intoxicating beverages. There was the Socialistic party, with its ideas of communism. The Union Labor party, which believed that labor should control the government as against capital. There was the Women's Rights party, which believed that women should have the same political privileges as the men; and there were three or four other parties which had something of a following.

Ever since the South seceded, the Democratic party had clung to the principle of states' rights. Not to the extent that a state had the right to separate from the Union, but that the powers of the Federal Government should be greatly limited. When The Distributors came into power it was at once recognized by their leaders that the Doctrine of States' Rights must be eliminated to the utmost degree, for the relations between the several states were such that for the purpose of a successful and harmonious government, the people must be under the direct control of the Federal Government; otherwise the complicated and diverse forms of laws in the several states would clash with the Federal laws, and disorder and chaos would reign supreme.<sup>1</sup>

It was therefore determined by Congress and sanctioned by the people that no law should be passed by any state in conflict with any Federal law, or which did

<sup>1</sup> See post-statement.

not first have the sanction of the Federal Government; and all states adopted new laws which were uniform with all other states upon the same subjects, and which had the sanction of Congress.

Consequently, there was still an abundance of diverse opinions upon questions of government to keep alive several minor political parties. But, almost as if by common consent, the two great political parties of old passed out of existence. There were some, too, who had voted with The Distributors in their first victory, who were not satisfied with results, just as there are always those who are out of sorts no matter how well situated they may be; and gradually there formed a party in opposition to The Distributors, who called themselves "The Rectifiers," for while they were generally supporters of the principles of The Distributors, there were many things which they would "rectify" if once they could get into power. It was well that this party existed. It was well that it had a considerable following; for no party was ever perfect, and the stronger elements a party has to contend with, the more perfect it becomes and the closer it adheres to its fundamental principles.

The Prohibitionists, too, maintained their party organization, and while there never was and never could be any hopes of winning success at the polls, yet the existence of the party acted as a kind of balance

wheel, which, though it appeared to run without results, yet had its good effects in the control of other party machinery.

To prevent any party from coming into power that might result disastrously to the people, without consent of a majority of the voters, a Federal law was enacted which obligated every qualified elector to vote upon every proposition or election submitted to the people. Even sickness did not excuse one, if the illness did not affect the free action of the mind, and where a voter was unable to attend the polls, he was required to send notice to the Inspectors of Election, when he would be visited by three special inspectors who took his ballot under seal and deposited it in the ballot box of his precinct. Nor was absence from the precinct a proper excuse for not voting, but every qualified elector was supposed to be in his precinct and register on the Saturday preceding election and to remain in the precinct till he had voted. In case, however, he were outside the state when a special election occurred, or in case he were in a foreign country when a general election took place, in such cases only might his absence be an excuse for not voting.

Any one violating this law was subject to arrest, and on conviction was subject to fine and punishment by hard labor. It was a salutary law and secured an expression from all the people; and when all the people

expressed themselves on any subject, the majority of them were usually on the right side, and if not, they had no reason to complain of the government of their own making.

As suffrage had been granted to women in some states on all questions, and in other states on school matters only, a uniform law was enacted giving the female portion of the population the same elective privileges as her former lord and master.

There was reason for doing so, too. She had the right to hold property separate from her husband; she was taxed for it the same as he; or, if she were a single woman, the same burdens were placed upon her as upon a man. So why should she not have a voice in determining the laws under which she existed? But having been granted the *right* to vote, it also became *obligatory* upon her to exercise her right to vote, and she was subject to the same penalties as the man for neglecting to vote.

She was also made eligible to hold any office within the gift of the people, from a Justice of the Peace of a country village, to a Justice of the Supreme Court of the nation; and from village president to the presidency of the United States.

The methods of election were simplified as much as possible. Voting machines were compulsory in all precincts, and paper ballots were only used for those



unable to attend the polls in person. In such case the paper ballots were canvassed, and the totals added to the footings of the machine.

For the purpose of nominating candidates to be voted for, the Primary Elections which had been instituted in several states and which were clumsy, costly, and unsatisfactory methods of naming candidates were abolished, and a uniform system adopted as follows:—

Any person wishing to stand for any office to be filled announced his candidacy for that office and the party to whose principles he was allied. If the office were a county office or other lesser office, he filed his announcement with the clerk of his county. If it were for any other office or position, he filed his nomination with the Secretary of State. Thirty days before election the Secretary of State published in an official state paper a list of all announcements filed with him. The list was arranged according to party and office, and the names were placed in alphabetical order, and each name given a number, commencing with No. 1. A certified copy of this list was sent to each county in which the candidates were to be voted for. To this list the county clerk added the list of announcements filed with him and arranged in the same general way and numbered consecutively, commencing where the state list ended. A copy of this list was sent to each qualified voter in the county. The voting machine was so arranged that

in voting, the elector pressed certain keys to indicate the candidate's number he wished to vote and the operation was performed for each candidate of a full ticket. The machine was also so arranged that after a number had been voted it locked itself and could not be repeated for that number until unlocked by pressing another key under control of the inspectors, which unlocking registered the number of times the number had been voted. No matter how many candidates there might be in the list, as there could be but five hundred votes, the limit of the largest precinct, a machine could accommodate ten thousand nominations if that many were filed. The paper ballots of absent voters were marked by numbers, and at the close the sum of the paper ballots was added to the footings of the machine, and the results told at once. The results were certified to the county clerk and by the county clerk to the Secretary of State. In canvassing the results of a state, the combined votes of the candidates for the head office on a state ticket were taken, and the party which showed the largest combined vote was the successful party. The person whose vote was the largest for any office under the successful party ticket was the successful candidate. Thus the question of party and choice of candidates was settled by one and the same election. The same system prevailed in the county canvass and down through all the minor offices.

This system gave every man an opportunity to have his name presented to the people. He had only to announce his candidacy and the party he was allied with, and there was no more necessary expense on his part. There might be a thousand candidates for the same office in the same party, but every voter could make a selection to suit himself. The voting machines were simple, yet perfect, and afforded a secret method of recording one's votes, and could be operated by the voter in designating the numbers of the longest ticket to be voted in less than five minutes.

Advocates of party principles were free to publicly speak for the merits of their chosen party. Advocates for individuals had the right to publicly work for their choice of candidates. It was a simple system, a perfect system, and while it permitted party lines to be closely drawn, yet the voter had his individual choice of candidates, which was denied him under the old system of primary elections. For while under the primary election he might vote for his chosen candidate, yet at the regular election he might have to vote for a party that was not his choice.

It was a system which demonstrated its feasibility and practicability at its first trial and was so perfect that no changes for the better could be suggested.

Besides being an inexpensive system for the candidate, it was the most economical system ever tried.

Thus at the time of making the investigations for this report, the political system of the United States was still dominated by The Distributors with The Rectifiers as their chief opponents. The chief principles of the party in power being the Protection of American Industries, the Distribution of Wealth, the Common Welfare of All Citizens, with Equal Suffrage to All Citizens, and each citizen on an equal footing with every other citizen in his right to stand for election to any office to which he was eligible.

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## CHAPTER XVII

### THE CIVIL SERVICE

UNDER the old system of government senators and members of the House held the power of recommending for appointment candidates for most of the appointive offices, though this power was somewhat curtailed under the competitive system of the Civil Service Bureau. But enough remained, however, to make life a burden to the average congressman until after the postal business was turned over to a private company. After his election friends unnumbered besieged him for his influence in getting the appointment to some office for themselves or for some of their friends; for it was through the influence of the new-found friends that the congressman owed his election, though it might be news to him. What could he do? He simply had to be all things to all men, and when an appointment was made, his influence had won the friendship of one faction and incurred the enmity of another. So, no matter how much of a hero a man might be during a campaign, after induction into office there were sure to be many sore spots among his constituents, and his influence as a legislator was in a measure impaired.

The Distributors changed this system completely. The letting of the postal business to a private company at one stroke wiped out the majority of the appointive offices, while all the remainder were placed in the civil service list.

Thereafter the life of a congressman was freed from that hungry horde of office seekers who had monopolized his time in the past, and he was free to attend to the legitimate duties of his position.

In making appointments to any position it was desirable, as far as possible, that the person appointed should be of the same political faith as the party in power, and, other things being equal, preference would be given such applicants. But if the examination showed the applicant to be of an opposite party, but possessing superior qualifications for the position to be filled, his political faith was not allowed to stand in the way of his appointment.

As all appointive offices could be vacated for cause at the will of the Civil Service Bureau, which was held responsible for its appointments, there was no danger that any appointment could work injury to the national government.

Under the old system an applicant for a position must first secure the recommendation of his congressman or of one of the senators of his state. For all the more important offices, after the appointment had been

made by the executive, it must be confirmed by the Senate. This was usually a perfunctory proceeding, for outside of half a dozen senators the merits of the average appointment were not within the knowledge of the members of that august body, but they trusted implicitly in the judgment of the senators from the appointee's state.

The uselessness and red tape of this system was too apparent to be retained, for the only compensation a senator received for this part of his work was the ill will of those who failed in their applications. While it had given some political prestige, yet it had also created animosities which more than outweighed the good will of their constituents. Under the new system there were no strifes over a man's political record for appointments he had recommended and sustained, but he stood upon his merits as a wise, able, and influential lawmaker of the country.

As revised, the system of the Civil Service Bureau apportioned all appointive places to the several states according to population. If there were to be appointments made for any position, the time and place for holding an examination would be advertised, and any person aspiring to the position might submit to the examination.

The President of the United States was *ex officio* at the head of the Civil Service Bureau, and when the

board of examiners reported the results of any examination to the Bureau, the applicant whose examination was most satisfactory was recommended for appointment to the President. If two or more applicants stood equally well in the judgment of the examiners, a recommendation was inclosed in a sealed envelope for each of the applicants, and the President drew one of the sealed envelopes, and the applicant whose recommendation it contained was immediately appointed and his commission signed, which did away with all unnecessary strife between rival applicants, and was eminently fair to all parties.

All appointments were for a period of five years unless sooner revoked for cause, and no one but the Bureau which recommended the appointment could ask for its revocation, which prevented all wrangling in Congress over this or that office. All examination papers remained on file and were subject to inspection by any one at any time, so there could be no chance of corruption on the part of the Bureau in making appointments.

The same system prevailed throughout the whole system of government, and explains how the great works of highway construction, the building of Paradise Way, the construction of the Coast and Border Defenses, and all other great works of the government were carried on without a taint of politics being connected with them.



For the first time in the history of the nation Congress became what it was designed to be, a lawmaking body instead of a spoils bureau, as it had been in the past.

Every senator and every member of the House was obliged to be present at every session of the respective bodies when not excused for cause by the President; and absence for private business matters was not a proper cause for an excuse. When a person became a member or was chosen a senator, he was supposed to devote all his time and attention to the duties of his position while Congress was in session, and his salary was fixed to compensate him for such services so that he might not say he must depend upon his private business for a living. All pairing of senators and members was forbidden, but each was obliged to express himself on every question submitted, and vote accordingly.

The election of United States senators was taken from the legislatures and given to the people to elect by a direct vote, and they were elected in the same way that other officers were elected. Thereafter election day settled the choice of a senator and no protracted deadlocks occurred in state legislatures which monopolized their time for a whole session.

Any one who aspired to the position of United States senator had the right to be voted for by the people, and he who had the highest number of votes of the successful party was declared to be the choice of the people,

for it must be borne in mind that it was principles as well as men which the people depended upon for good government. Every man elected to an office was in duty bound to stand by the principles of the party to which he allied himself at the time of announcing his candidacy, and any person elected to an office who betrayed the trust imposed upon him by the people forfeited his right to stand for another election under the same party alliance.

## CHAPTER XVIII

### THE BANK SYSTEM

UNDER the old form of government the banking business of the country had been carried on through a variety of agencies.

National Banks were institutions chartered by the Federal Government, and were the agencies through which that part of the currency known as National Bank Notes were issued and circulated. They were under Federal inspection and subject to Federal laws.

State Banks were institutions chartered by the state in which located, had certain powers which National Banks did not have, such as loaning money on farm mortgages, one of the best and most stable collaterals in the world, and did not have to start business with as large a capital as was required of National Banks.

Private Banks were conducted by private companies or individuals and under the inspection of the state where authorized to act.

Savings Banks, which received deposits in small sums and invested the same, but which did not do a general banking business.

Loan and Trust Companies, which received and in-

vested large sums of money, which was not subject to withdrawal on demand.

There were also other agencies, such as private parties or companies, who in certain states conducted a regular banking business, though prohibited from using the word "bank" in connection with their transactions, and who were not under inspection; while in other states any one was permitted to open an office and hang out a sign reading, "John Doe, Banker and Broker."

Building and Loan Associations and other institutions also transacted business which, in a measure, might be termed banking.

It might have been supposed that the safest and soundest institution of all the above agencies would be the National Banks under their rigid inspection by Federal inspectors; but the fact was that some of the largest defalcations and most disastrous financial wrecks in the whole history of banking occurred in those same national institutions.

While The Distributors did not propose to take the Banking Business into its own hands, any more than any other industry, it did propose to so revise the banking laws as to make them uniform throughout the country, and provide for both Federal and state inspection of all Banks. Congress and the several states, therefore, enacted such laws as made all banking institutions

national in character, but provided that rigid inspections should be made by Federal and state inspectors, independently of each other, and duplicate reports filed with both National and State Bank Comptrollers. Under such inspection, what might escape the notice of one inspection might be brought to light by the other, and any discrepancy between the two inspections was quickly discovered by both state and Federal comptrollers. Chances for defalcations, embezzlements, or unsafe investments were therefore reduced to a minimum, but provision was made that if after such safeguards as had been thrown around the business depositors were likely to suffer through some error or mismanagement, any deficiency should be supplied from the Department of Public Wealth, until such time as the Bank could make good its own shortage, so that suspensions were unnecessary, and the confidence of the people in the Banks was never shaken.

But the government decided to assume entire control of that branch of the business which looked after the small savings of the people, and the Department of Wealth created a third Bureau which was divided into three Drawers. This Bureau, called the Bureau of Thrift, was in direct charge of Three Commissioners, while the details were looked after by the Drawer of Deposits, which received the savings of the people; the Drawer of Investment, which looked after the invest-

ment of the savings, and the Drawer of Redemption, which returned the savings to the depositors.

The whole system was very simple, yet perfect and absolutely safe. In detail it was as follows: The Department of Deposits issued Certificates of Deposit in duplicate, in denominations of one dollar, two dollars, five dollars, twenty dollars, fifty dollars, and one hundred dollars. These certificates were non-negotiable, but redeemable at the will of the depositor, and bore simple interest at the rate of one per cent per period of four months, which was compounded annually. At time of redemption, interest was computed simple or compound, according to the age of the certificate up to the beginning of the current interest period.

A supply of these certificates, with the duplicates attached, was furnished every Bank in the country which was obliged to handle them at a commission of one per cent. The public, therefore, could purchase a National Certificate of Deposit from any financial institution in the land, and as often as it had a dollar to lay by. When issued, the Bank would insert date and name of the depositor in both original and duplicate, deliver the original to the depositor, and return the duplicate with ninety-nine per cent of the deposit to the Bureau of Thrift, making weekly returns.

On receipt of the duplicates and remittances, the proper records would be made in the Drawer of De-

posits; the remittances turned over to the Drawer of Investment, and the duplicate filed with the Drawer of Redemption.

The next step was that of the investment of the funds. As funds came in from all over the country, it provided a vast sum to be invested at one time, and each week the Drawer of Investment went into the open market and bought such Transportation and Industrial Bonds as were known to be good, and which yielded at least five per cent per annum. Of the amount received for interest, one per cent went to pay the commissions deducted by the Banks; one per cent paid the expenses of the Bureau, and the balance was credited to the depositors. At the end of each year, all increment in the Drawer was invested, so that annually the total amount on deposit for a period of one year or more was drawing compound interest.

The depositor might hold his certificate for four months and draw out principal and one per cent interest; or he might retain it his lifetime, and when presented by his executors it would be worth its face plus compound interest at three per cent per annum. When the depositor wished to withdraw, his certificate could be presented at any Bank, which was under obligation to pay its face plus the proper amount of interest, which could always be computed instantly and without trouble. The certificates could then be used in remitting for new

deposits, or returned directly to the Drawer of Redemption, which compared the original with the duplicate, and canceled the two and filed them away to be retained for one hundred years.

The system was widely advertised by the government, and there was scarcely a man, woman, or child that did not make use of it. It created such an enormous fund of ready money always seeking good bonds that any established industry had no trouble in securing financial aid, when needed, at a uniform rate of five per cent per annum.

If a depositor lost his certificate, or it was accidentally destroyed, he could apply to the Bank which issued it, which kept a record of its date and number. Application could then be made to the Drawer of Redemption, and upon satisfactory proof of the destruction or loss of the original certificate, the duplicate was paid and canceled.

It was a simple and convenient way for taking care of the savings of the wage-earners, as well as those of more prosperous citizens, and absolutely safe for every one.

It was an aid in keeping money in circulation, for the government never hoarded its funds, but kept them invested to the utmost limit. If money were needed for redemption beyond the amount in the Drawer, it could always be obtained from the Bureau of Collections by



depositing a sufficient amount of its bonds as collateral.

It did not detract from the legitimate business of the Banks, whose transactions were always on a large scale, and which could, when necessary, get hold of the same money for their customers through sale of bonds to the Drawer of Investment. And it did away with a vast amount of bookkeeping so necessary under the old Savings Banks System, which was neither reliable nor safe.

The people appreciated the system, and patronized it accordingly.

## CHAPTER XIX

### TRANSPORTATION

THE transportation system of the country was most elaborate, and the millions of people who were handled every day by the various transportation companies at a speed averaging one mile per minute, with scarcely an accident, was marvelous. The long distances between Eastern and Western cities had developed a wonderfully luxurious service for passenger travel, and through lines of electrically operated railways reached from Boston to San Francisco, and connected every place of importance in the land. All passenger railways were operated by electric motors run by storage batteries, and separate tracks were used for freight purposes, which were operated either by electric motors or the old-style steam locomotive.

Under the old system of railroading, while the number of casualties in proportion to the whole number of passengers carried was quite large, often resulting in a hundred or more deaths in a single accident; yet, the number of casualties to the employees was still greater, and every year more lives were sacrificed to the railways than were killed in the entire war with Spain.

Every conceivable device that man's ingenuity could invent was used to guard against accidents to both passengers and employees, but the personal element which was always to be taken into consideration was so unreliable that the safest devices used could not prevent great losses of life. The block system was the first great improvement, which did not permit a train entering a certain section of road until it was clear of all other trains, and signals were displayed to show when a block was clear for the approaching train. But the engineer might be stricken with heart disease, and the train uncontrolled would dash to its destruction. Or, perhaps the signal man would, in a moment of excitement, display the wrong signal and a train be given the right of way, when it should have been stopped. The personal element was the chief cause of most accidents to passengers. The casualties to employees were in part traceable to the same cause, but more often to carelessness on their own part, or a desire to take desperate chances. It had been demonstrated that swift-moving trains were not as likely to accidents as slower trains, so that it was not a question of limiting speed. A good track and a clear right of way were practically free from accidents, no matter what the speed; but a poor track and an uncertain element of personal direction would make a slow train enormously destructive to life and property. For the purpose of eliminating the hazard of

railway travel to the very lowest degree possible, the government required that, in addition to all protective devices, every person in charge of a moving passenger train should have his duplicate; not that both should act, but that each should receive the same orders, and while one directed the orders, the other should be ready to take his place the instant he failed to give proper directions. Thus, two train dispatchers would start a train on its journey. Two engineers or motormen would be in immediate charge of the train, one to act, the other to act if the first failed. Switch tenders, signalmen, telegraph and telephone operators, bridge tenders, and car inspectors were all duplicated; and while such a system added enormously to the cost of operating a road, it saved thousands of lives and millions of dollars in damages, annually.

The employees were carefully watched, and if one were found to be careless or inclined to take unnecessary chances, he was removed to some position where his failure to act, or heedlessness, would jeopardize neither himself, his coworkers, nor the public.

The rates for passenger traffic were fixed by the government at one cent, two cents, and two and one half cents per mile, according to the accommodations furnished and the schedule of the train. If a passenger were on a through limited train equipped with all the accommodations of a hotel, he paid two and one half

cents per mile. But if he stepped upon a local train which stopped at every station, he paid two cents per mile for first class and one cent for second-class fare. Freight rates were also regulated by the government, and competitive rates and rebates absolutely prohibited. Formerly a city one hundred miles from a metropolis with only one transportation company would be taxed a greater freight rate than was paid by another city three hundred miles away, but with competing lines.

This discrimination was stopped, and every station stood on an equal footing with every other, whether it had one line or a dozen lines competing, the only exception to the rule being in the hauling of coal from the mines to the consumer, where the maximum price fixed by the government could be reduced by competing roads.

The waterways and harbors formed an important part in the transportation of the country, and the completion of the Panama Canal in 1915 directed a tide of traffic north and south through the Mississippi Valley that exceeded any of the great trunk lines of road running east and west. This traffic called for improvements in waterways and new canals, which will be treated of in another part of the report.

The transportation of a city population was a perplexing question. Some cities had municipal ownership; others were controlled by private companies. But

experience proved that a private company under proper restrictions by the Federal Government gave quicker and better service to the people, and at a less expense, than those lines controlled by municipalities.

The reason of this was that, as with every other enterprise conducted by government ownership and operation, there was no chance for development. A system once installed by a city would be operated in the same old rut year after year, while another city whose local transportation lines were owned and controlled by private companies, received far better and cheaper service. A company was known to throw millions of dollars' worth of property less than three years old into the scrap heap, for the purpose of installing newer and more efficient systems. But no city owning its own system was ever known to make such radical changes.

In the transportation of messages there were three agencies employed, — the mails, the telegraph, and the telephone, — which reached all places. The postal system has already been described. The telegraph and telephone systems were all in the hands of private ownership and control, and competition not only was permitted, but encouraged, although certain individuals who had certain interests in the old-time monopolies of the telegraph and telephone tried hard to convince the people that such utilities as the telephone and telegraph were natural monopolies, and competition should be

prohibited. As a matter of fact, no such thing as a "natural monopoly" ever existed. It was against the laws of Nature, just as it was against the laws of Nature to have created one individual the equal of another. There was business for all, and no community ever received first-class service from either a telephone or a telegraph company until it had the benefits of competition. It was argued that, especially with the telephone, there should be but one system, else it would entail the expense of two instruments on the part of every user. But the user could better afford to pay twice the cost and have four times the number of connections than he could to pay half the cost for half of the connections, for the number of connections which a telephone company could give was what made it valuable to the user. ))

The construction of the highways had caused every line of wires and poles to be removed to a private right of way, which the companies were obliged to purchase; for while some states had decreed that a company might occupy the highways with its poles and wires which were not an additional burden to the abutting property owner, other states had decided the question exactly opposite, and to have a uniform system, all companies were obliged to procure their own private rights of way, which could be procured by condemnation proceedings at a nominal cost.

The fees of telegraph and telephone companies were

also regulated by the Federal Government, which allowed the minimum charge consistent with good business principles, for it was desired that a company should charge neither excessive rates nor be compelled to do business which afforded no returns to the stockholders.

Both wireless telegraphy and telephony were in use, and each served its particular field and did not conflict with the old system of wires.

For the transportation of letters and packages at lightning speed, a system of pneumatic tubes existed, connecting all large cities. These tubes were laid underground and had an inside diameter of six inches. Cylinders two feet long were accommodated, and a cylinder inserted in the tube at New York would drop at Chicago within ninety minutes. This system of transportation of mails did not conflict with the ordinary mail system, for its charges were ten times the postal schedule. But it developed a business of its own, which taxed its capacity to the utmost. It was built by private companies and paid handsome dividends to its stockholders.

Still another form of transportation, which had been developed to a limited extent, was the transportation *via* air ship. Dirigible air ships had been perfected to such a degree that a load of five hundred pounds could be carried with ease and safety in fair weather, but were unfitted to buffet against storms. In case a storm



approached while in transit, the ship had to descend and discharge its cargo. Consequently air ship freighting was only undertaken where there were no storms at hand along the route, nor for longer distances than could be traversed by daylight.

Thus, with her unlimited modes of transportation of both goods and men, and her system of highways, as might be expected, the people of the nation were a set of travelers. Travel is always good for the individual. It brings him into contact with all classes of humanity, brightens his intellect, and proves the wisdom of that old couplet:—

“How much the dunce who has been sent to roam  
Excels the dunce who has been kept at home.”

And yet with all its traveling, it was a nation of homes; and people thought more of their own homes, however humble they might be as compared with others, than they did of the finest palaces they visited, and after a season of enjoyment in viewing the country, its natural scenery, and the works of man, they returned to their homes for rest and recreation, for true recreation could be found only in the quiet and comfort of one's own abode.

## CHAPTER XX

### WATERWAYS AND HARBORS

IN 1906 one of the greatest railway men in the world at a banquet in Chicago had given expression to the prophecy that the railway transportation systems of the country were but in their infancy, and that Chicago was the industrial center of the greatest wealth-producing and transportation territory on earth. The rapid extension of the railway systems north and south, east and west, demonstrated the truth of his prophecy, but the opening of the Panama Canal in 1915 more than any other one cause made the city of Chicago the commercial metropolis of the world, and in 1940 the last Federal census showed her population to amount to eight million human beings. The Great Lake system of waterways had developed an extensive traffic, and the shipping which passed through the Soo Canal in the few months of the year it was open to navigation far exceeded all the shipping which passed through the Suez Canal in an entire year. This traffic consisted of ore from the mines of the North and wheat from the West and coal from the East, besides the thousand and one other commodities produced by various parts of the

country. But with the opening of the Isthmian Canal a stream of traffic from North and South and East and West centered at Chicago for transfer to the Orient *via* the new route.

There were ships on the Great Lakes larger than many ocean-going vessels, and these boats demanded a water course direct from Lake Michigan to the Gulf of Mexico, so that a Lake boat loaded at Duluth or Buffalo could discharge its cargo at Manila or Hong Kong without breaking bulk. It was a big undertaking, but the government had got in such a way of doing big things that it was not backward in undertaking the job. The Chicago Drainage Canal, which was originally constructed for purifying the Chicago River and dumping the filth of the city into the Mississippi River to the disgust of her sister city St. Louis, was taken as the connecting link between Chicago and the Gulf, and the Mississippi River was dredged and the Drainage Canal was widened and deepened so that the Lake boats had their wishes and could load at any Lake port and discharge their loads at any port in the Orient. It was costly but it provided an additional means for distributing the Public Wealth without destroying any other industry. Every city on the Lakes also furnished work in the way of deepening their harbors, a work that is still going on, for the cities were so many, and the harbors had to be enlarged and deepened so much

to accommodate the Great Lake boats, that the task of digging the Panama Canal was a short and quick job in comparison.

Although the old city of Chicago and the city of Milwaukee were eighty-five miles apart, yet with eight million people in Chicago and three millions in Milwaukee, the two cities came together and absorbed several smaller cities between them which had boasted considerable pride in their local industries in times gone by. But Chicago stretched out its arms to the north and gathered in everything as far as the boundary line of Wisconsin, and Milwaukee stretched out her arms to the south and gathered in everything as far as the boundary line of Illinois, and again Chicago stretched out her arms to the south and around the southern end of Lake Michigan and gathered in everything in sight, so that from the old city of Port Washington to Michigan City, Indiana, there was in reality but one city with a population of eleven million people. And this great city required harbors and slips that would float any ship that might come up from the ocean, and the government supplied her wants.

To accommodate the immense traffic to and from the Gulf, the canal had to be constructed wide enough to accommodate two lines of boats, one up and one down at all points.

Nor was this the only great canal built, for the Mis-

souri River was dredged and dammed and made fit for boating from Pierre to St. Louis, not for the larger boats, but for steamboats of ordinary size.

And the Erie Canal, which was widened by the state of New York for the purpose of accommodating the vast traffic of the West to the Hudson, at a cost of One Hundred and One Million Dollars, was utilized in bringing more traffic westward than it carried eastward.

Such was the development of the waterways of the country under the administration of The Distributors.

Everything showed life and activity; there were no drones, but every one worked. All were prosperous, and the only fear that those people had, who were inclined to worry in any event, was that the time would come when there would be no work for the nation to do. But such fears were groundless. There was work enough within the borders of the United States that could be outlined in an hour that would tax all her resources for labor, present or prospective, for the next thousand years. There never was a time in the history of the world, and there never will be, when there will not be work for every human being able and willing to work.

Man was born to work, and if the time ever comes when there is no more work on earth to do, then, indeed, will it have become an earthly paradise, which the Creator never intended.

## CHAPTER XXI

### THE FUNCTIONS OF GOVERNMENT

THE true functions of government, as advocated by The Distributors, were to direct, control, and restrain, when necessary, the acts of the individuals for whom, of whom, and by whom the government was created, in all their social and business relations, leaving to the individual the sole right of actively participating in those relations. While the government should say what the individual might do and what he might not do, as a free agent, it was not for the government to be the active agent in the doing or not doing those particular things.

This theory was the exact antithesis of Socialism, which taught that government should be the active agent in all relations of the individual, who was but a mere puppet in the hands of the government.

Opposed to each of these theories was that most dangerous doctrine of anarchy, which denied the authority of government to be either the active or the controlling agent of human relations, and which taught that the individual should be the supreme controller of his own acts.

The anarchist, therefore, was opposed to all forms of

government, and taught that all forms of government and all participants in the functions of government should be annihilated. The anarchist was, therefore, a most dangerous citizen, whose doctrines were liable to be given actual expression when least expected, and his doings required the utmost vigilance on the part of The Distributors. For years there had been a considerable following of this dangerous element in American life, and more than one dastardly deed was directly traceable either to their teachings or to their own deliberate acts. Lives had been taken by anarchists, and the government had taken a life for a life. But the taking of a human life as a punishment for crime was not consistent with the theory of the government of The Distributors, and while the old system sanctioned the legal execution of a human being as a punishment for certain crimes, and which punishment was sanctioned by some, but not by all of the states, the government, in unifying the laws of the states, abolished capital punishment, either by state or Federal authority, no matter what might be the crime committed. For, as stated in a previous part of this report, every human being was endowed with a certain spark of goodness, and the right of the government to extinguish that spark did not exist, but rather the *duty* of the government required it to control the bad and develop the one spark of goodness.

Therefore, for the protection of the people at large, and for the protection of the participants in the agency of government, every individual suspected of anarchistic tendencies was taken into custody. The government had no moral right to deport them, — it had no right to inflict upon other nations a lawless element that could not be tolerated at large within her own precincts. Hence it was necessary to devise especial restraints for them, and schools or asylums were created for them, for which purpose the structures formerly known as “The County Poor House” were utilized. These structures were thoroughly overhauled and made into homes for the anarchists, who were so far separated that more than a dozen individuals were not taken into any one school.

Here they were given such work as they had been trained to do, or were trained in some new work, as they desired. They were given all manner of books and periodicals to read, except those denying the authority of government, or such as so criticised existing governments that wrong conceptions might be had. They were carefully guarded at all times and were never permitted to travel, except when accompanied by national guardsmen, for it was deemed better to deprive a man of his liberty before a crime had been committed, than to allow him to mingle with the public at will, and when life or property was destroyed, take him in



custody. To have taken this view of the way of treating them would have been too much like "locking the door after the horse was stolen."

Therefore, every person who, by word or deed, showed anarchistic tendencies, was placed in one of these schools until he was so thoroughly cured of his dangerous doctrines that he might safely be given his liberty. Otherwise he was held in restraint till his death.

All mail and all communications between these people and the outside world was carefully censored. But they were taken on trips under guard; they were provided with entertainment of all kinds; and as there was nothing which could be added to their supplies to increase their happiness, they had nothing to rail against government for except their own personal disregard of its authority or necessity.

Gradually the anarchistic sentiment within the United States began to wane, and the admission of foreign immigrants was so carefully scrutinized that it was impossible for their numbers to be augmented by new arrivals. At the time of making this report, it was the expectation of the government that the last trace of anarchism would be blotted out by the beginning of the twenty-first century.

This report has shown how those convicts who were able-bodied were segregated and made to work; but there was a class of women, and old and feeble men,

confined in the States Prisons, who had to receive separate treatment. The prisons were thoroughly revolutionized. All clothes of a distinguishing style were discarded, and the prisoners were given better food and comfortable beds. They were provided with such work as could be performed within doors, but they were taken on occasional trips under careful guard. When a crime was committed, the perpetrator was arrested and confined in prison, or executed under the old system, on the principle that the party should be punished for his acts. But the old system did not consider that the party restrained or perhaps executed, was himself a part of the body politic, and entitled to protection, which was an entirely wrong theory for the government to have taken. For no greater punishment can be given a human being than to deprive him of his personal liberty, whether that restraint be within prison walls or by force of arms in the open air. But when, in addition to the restraint, the government added the distinguishing stripes to the clothes he wore, gave him a hard bed to sleep upon and a crust of bread and a cup of water to sustain life, the government was destroying the little good in his make-up as well as punishing the bad that was in him; or if executed, as in some states and even by the Federal Government, the last vestige of hope for reformation was absolutely destroyed.

The line of demarcation between sanity and insanity is so slight that the wisest doctors and the most learned lawyers have never been able to agree upon the precise point where the one begins and the other leaves off; and many a person has escaped punishment by being first pronounced insane by the most expert judges of insanity, and then by the verdict of a jury of twelve men who were selected for their ignorance as a sole qualification to act as such jurors, who said he was sane at the time of trial.

It has ever been a correct theory of all governments, that a crime committed by an insane person should not brand the perpetrator as a criminal, and punishable as such; but rather that he should be restrained in an asylum for unbalanced minds. In time the most heinous crimes were committed, and the guilty party freed from all punishment and freed from all restraint on the ground of emotional insanity, — in other words, that he was sane at every other instant except at the moment of committing the crime, when he was insane. That being insane at that time, he could not be punished, and having recovered his sanity immediately thereafter, he could not be restrained.

It may be set down as an infallible rule, that *every* person is not in his right mind when he commits a crime; that no one in his *right* mind *ever* commits a crime. Therefore if emotional insanity were a proper

excuse to escape punishment for an admitted crime, how much more necessary is it for a government to treat *all* criminals as afflicted with emotional insanity, and restrain them accordingly?

Such was the view of crime taken by The Distributors, and who will say that their view was not correct?

## CHAPTER XXII

### THE PROTECTION OF GENIUS

THIS report will now digress for a little to show what steps were taken by the government to foster and protect the inventive genius of its subjects.

Certain patent laws had long been in existence which gave the inventor of any new principle or device the exclusive right to the manufacture and sale of his patented article for a term of years, which laws were all right as far as they went, and the patent office at Washington was a most interesting museum to visit. But those patent laws did not discriminate as to time, and each inventor stood on a par with every other, so far as government protection was concerned. Thus a man might have labored for a score of years in perfecting some useful and much-needed device, and yet be protected in the results of his labors for a shorter period than it had taken him to complete the work. On the other hand, a man might hit upon some new article that would catch the public fancy and for a time its use would be a fad, and the lucky inventor would coin millions from the profits of its manufacture and sale. And yet it would be something that long before the

protection of its letters patent had expired, would be forgotten entirely and its use passed out of existence.

Again, while the law prohibited the infringement of patents, yet no valuable patent was ever issued but what the inventor or his assignee had to secure the decision of the United States Supreme Court before being fully protected in his rights. As inventions were usually made by persons of limited means, the securing of a patent, and contesting its validity in the courts of last resort, usually meant the sacrifice of the most valuable part of the invention ; to wit, ownership of the letters patent, for his own protection.

In consequence of one or the other or of both of these causes, many valuable ideas were not patented at all, the inventors preferring to take the chances of keeping their principles a secret, that they might realize some profits from the manufacture and sale, rather than to incur the risk of making the principles a subject of public study, and tempting imitation.

The remedy of The Distributors for all these evils was to enact laws discriminating in the length of time which letters patent might be granted for, such time depending in each case upon the nature of the article or principle patented, and varying from five years to thirty years.

Also, it was determined that after the patent office had passed upon an application, which could be only after the most thorough investigation of the principles

involved in the application, if letters patent were granted, the government would back up its decision against any infringement attempted. Any person, attempting to infringe upon another's patent, might be complained of by the patentee, and the government would institute a suit, in which all costs must be borne by the infringing party up to the decree of the court of last resort, in which case, if the government were successful, the infringing party was prohibited from any further acts, and was liable to the patentee in damages to be assessed. But if the government was adjudged to be in the wrong, and letters patent adjudged to have been wrongfully issued in the first instance, the government not only reimbursed the alleged infringer, but compensated him besides.

This course was taken that nothing might prevent a rightful patentee from reaping the rewards of his invention, and yet, recognizing the right of every one who had faith in his opposing claims to contest them at his own expense in the first instance, with reimbursement and reward if successful.

Also, an inventor was not obliged to employ attorneys nor to advance fees of any kind in applying for a patent. He stated his idea in general, and the Patent Office assisted him in getting his application properly before it for examination. Then, if it were not patentable, there were no charges, but if letters patent were issued,

the patentee obligated himself to reimburse the government out of the profits of his invention.

These liberal rules induced many inventors to present really meritorious principles and devices for patent which never would have been heard of if the inventor had been obliged to make sacrifices to ascertain their patentability, and they also enabled the indigent patentee to receive the protection of the law without expense or sacrifice of his interests.

The half century preceding the advent of The Distributors had been more fruitful in inventions and discoveries in the scientific field than had been all previous history of the world. It was a wonderful discovery when Benjamin Franklin discovered that lightning and electricity were one. It was the placing of a cinch upon the untamed horse; and when Morse sent the dispatch between Washington and Baltimore, "What hath God Wrought," it was breaking the wild horse to harness. When an operator could tell by little flashes of light the thoughts going on in the mind of his coöperator at the other end of a cable three thousand miles long, passing under the waves of the Atlantic, miles below its surface, it was the wonder of the world. And later, when a bystander could watch a pen trace a facsimile of the handwriting of an operator five hundred miles away, or see his picture gradually developed, he looked on in wonder and astonishment. The telephone which



enabled one to send his voice over a wire to the listener two thousand miles away was another nine days' wonder; but when messages could be flashed through stone walls, through bodies of men, and be interpreted a thousand, two thousand, and three thousand miles away, without any connection between the two operators except the earth beneath and the ether above, even the most incredulous began to believe that all things were possible with man.

If such wonderful works could be wrought by man, what might he not be capable of doing when properly assisted and protected?

This report will take you to the home of a wealthy citizen. It is the year 1944. Surrounded with every visible luxury that one could desire, he yet possesses that which is more wonderful than the most wonderful tale in the "Arabian Nights." We have come in from the cold. He asks us to be seated. It is his library, and upon his desk is a small cabinet arranged with keys not unlike the stops of an organ. He presses a key, and there is a warmth about the chairs which we had not felt before. While we are conversing, a tiny bell in the cabinet rings, —

"Yes, this is John; what can I do for you?"

A pause.

"Yes, I am busy now; call later, and I will talk with you."

"My neighbor on the other side of the city," he explains, "wished to ask my opinion on a matter of law. These wireless telephones," he continues, "are very convenient — so much more so than the old-style system where you had to have a wire running from your house to a central exchange and then waiting for connection with the party you wished to talk to. My friend, you see, has a cabinet similar to this, as indeed has every other person who wishes to use the wireless system. When he wished to call me, he pushed a key so adjusted that, by the proper touch, it caused certain vibrations to ring the bell in my cabinet and in no other, though there are ten thousand in the city. You heard the bell ring and observed me talking as if to the cabinet. His voice was not audible to you, for it came to me in whispers, but was distinctly heard from where I sit."

"How wonderful!" we exclaim.

"Yes, but not as much so as some other complications possessed by this cabinet," and rising he closed the window shades and made the room perfectly dark.

"I will now take you to an opera rehearsal in progress six miles away," he exclaimed. "By touching this button I am able to show upon the screen opposite you the stage settings."

We look, and there before our eyes is a perfect picture of the interior of a leading opera house.

"It is a little early," he exclaims, "but wait a moment. Ah, here comes the Director now," and a man is seen to walk to the front of the stage, and instantly the singers enter from either side, and the orchestra come from beneath the stage. Each takes his proper place. The Director bows, and with a slight motion of his hand there bursts forth a most wonderful melody of human voices accompanied by low strains from the orchestra. Our amazement is complete. We listen until we pinch ourselves to know whether we are dreaming or wide awake.

Instantly the scene and music disappear and the electroliers of the room are brilliant with the softest of lights.

"You see," says our host, "I am a very busy man, and after a long day in court, I often find it more entertaining and restful to sit in my library and listen to the opera or a lecture, than to attend as one of the immediate audience."

"Is there anything else that your wonderful cabinet can do?" we ask.

"Ting-a-ling-a-ling," sounds a little bell.

"Come here," he says, and we step in front of the cabinet. "I have a call from the same party who called me a moment ago. His business must be urgent. It sometimes takes the expression of the face as well as the voice to determine one's inmost feelings," he ex-

claims, and as he touches another key, upon a small disk in the cabinet, there appears the picture of a young man, with a very earnest look.

"That is my friend who wishes to talk with me," explains our host. He presses another key, and a voice as plain as though the picture were speaking says, "I really hate to disturb you, John, but as I must catch the train in twenty minutes I would like your off-hand opinion immediately."

"Very well, my opinion is 'No,'" answers our host.

"But this cabinet has other secrets which I have not shown you," he said, and pressing a key at the extreme right of it, there was an instant's delay, when the door at the farther end of the room opens, and the lawyer's wife and two pretty daughters enter, to whom we are introduced.

"This wonderful cabinet is but a combination of inventions that were in a half-conceived existence before the present political party came into power. But with the advent of The Distributors, the inventors were encouraged to proceed and perfect their schemes, and as the Distribution of Wealth has made every one prosperous, they are not only practical but are within the means of the average professional or business man, and as I said before, this city alone has ten thousand of these cabinets."

We thank the lawyer for his courtesy, and depart.

With the thousand and one practical inventions to revolutionize the commercial world, we will now see what influence they had in shaping the destinies of the country.

## CHAPTER XXIII

### COMMERCE AND LABOR

If the United States was great as a military or a naval power, yet her greatness in the arts of war was so overshadowed by her commercial supremacy that she was justly entitled to be called the Nation of Peace.

With a population made up of people from all quarters of the globe, it was the most cosmopolitan country on earth; and Chicago was the most cosmopolitan city.

A cosmopolitan population demands such a variety of the necessities of life as no nation having only a native population could dream of. With her enormous home trade it was possible for her to live within herself, supplying her own wants from her own resources, and fixing the price of commodities according to the law of supply and demand, independent of any other country. But her commerce was not confined to her own country, and she had developed an Oriental trade that was the wonder of the world. China had awakened after a sleep of three thousand years; the new treaty with the United States had won her friendship; and the billion population which she possessed looked to the United States for a large part of the products which

they were unable to produce at home. Consequently, as we have seen, an Oriental trade had sprung up, to carry on which sea-going vessels of the largest type could pass from Lake Michigan *via* the Mississippi River and Panama to the cities of the East without breaking bulk. And so great was that shipping that the connecting canal between Chicago and the Mississippi River had to be constructed wide enough for two vessels to pass at any point. Nor was the shipping of the country confined to her trade with the Orient. South America, and particularly Argentina, had developed wonderfully along certain lines, and was in the market for vast quantities of goods which she could not produce at home. For years the foreign trade both to and from the United States had been carried in foreign bottoms, and while the old system of government had made an honest endeavor to stimulate American shipping by granting a ship subsidy, yet the timidity of Congress and the fear of the criticism of the people who were opposed to doing that which might benefit a few, overlooking the vast benefits they would indirectly receive, prevented it from taking that decisive action which is necessary for a competent government to take that has the welfare and not the cavil of its people at heart.

But the United States had acquired the Philippine Islands and Porto Rico; she had built the Panama Canal; and Cuba in 1920 knocked so loudly for ad-

mission to the government of The Distributors that she was taken in; and all these foreign lands which were a part of the United States gradually created a business in American bottoms, which soon surpassed all other nations. But it must be said that The Distributors gave the first great impulse to American shipping by providing a premium to the company which exceeded a certain amount of business each year, for a term of years. The amount fixed was so small that any shipping company of enterprise could easily exceed the amount, and yet as the amount was sufficient to yield a fair return from the profits alone, the premium offered was an inducement to work the harder, and for more companies to enter into competition. Had Congress granted a ship subsidy merely, the owners would have taken what business came to them, depending upon the government for their profits. But when it became necessary to produce a certain amount of business to get that help from the government, it created a spirit of rivalry between certain companies to see which could get into the business first. And having embarked in the business there was nothing to do but get business, and they got it. And that is how the shipping industry of the United States so soon surpassed in number of vessels and tonnage the biggest merchant marine of any foreign country.

To supply such a vast trade as American shipping



built up for the United States, coupled with the activity of her former almost useless population, and the immensity of her home market, kept her factories running night and day; her great iron and steel industry was taxed to its limit; the railroads were congested with traffic; and the merchant from the prince of State Street to the smallest hamlet was doing his utmost to supply the needs of his customers. Every person had enough to supply himself with the comforts and many of the luxuries of life; and although the same law of supply and demand fixed the prices as before, yet the government had so settled the question of prohibiting prices in competition to be lowered at the expense of the laboring classes, that there was always a fair profit in the price of the goods sold, for both laborer and dealer, and which was not excessive to the consumer. Under such conditions it was not necessary for the customer to ask credit; it was not considered good business principles for business to be done on credit; and there was no necessity for it to be done on credit where the law of the land compelled a constant distribution and circulation of the wealth of the country. But under the old system, credit was absolutely necessary. A man and his family could not starve in a civilized community; if the wealth was hoarded and the parties hoarding it would not let go, what could a man do who was out of a job? It was one of three things: ask for

credit ; go to the poor house ; or commit suicide, — and though such a state of affairs is hard to believe, yet we must record, as a part of this report, that the latter extremity was often resorted to by those who were kept down by poverty.

Pure Food Laws already enforced, which made it a criminal act to sell or expose for sale any article of food without stating just what the food contained ; and which compelled the rigid inspection of all meats prepared for human consumption, so increased the business of all who dealt in food stuffs, that their profits were greater than when they had tried to make extra profits by adulterating the products they sold. The cattle on a thousand hills provided the best and fattest steaks in the world ; the prairies produced the finest pork ; and the mountains were the favorite haunts for the angora sheep which made wool not the least of her exports. American-made goods had a standing in the market of the world such as none others had, for the words “Made in America,” stamped upon every exportation, was a guarantee that the goods were just what they were represented to be, and if not, the government of the United States stood back of the consumer to protect him, whether he belonged to a foreign or to the home market.

A limited protective tariff was maintained on all imports, but all goods passing between the United

States and her Island possessions passed free of all duties.

In the manufacture of commodities, the labor question had ceased to be a perplexing problem. Wages could never be reduced beyond what would pay a fair profit to all parties interested, without being excessive to the consumer; and when by reason of too much competition there was no profit for the manufacturer, his only recourse was to change his business and cut down competition in that particular line. There was always plenty to do in lines that were not overcrowded, and the law of supply and demand only could regulate the amount to be produced.

The regular hours for labor were from 7 A.M. till 5.30 P.M., with an hour off at noon and a full half holiday on Saturday. Parties who preferred to work extra hours for extra pay were at liberty to do so; for the right of an individual to work was a privilege which neither the government nor any combination of labor had a right to deny. In such factories or places of business where work was carried on the entire twenty-four hours, the labor was divided into shifts of six hours each with no intermission for meals. A person could work each alternate shift if he so desired, but no man was able to work two continuous shifts without stopping for at least one meal, and therefore they could work only in alternate shifts.

Inventions of all kinds had relieved the people of nearly all forms of physical labor, so that the most a person had to do was to attend to the workings of a machine. Of course, there was certain work which could be performed only by physical labor, and for those workers extra compensation was allowed.

Every city had its system of public service supplies. Pneumatic tube systems conveyed goods from the stores to their customers' residences in much the same manner as telephone exchanges were formerly conducted. Thus a tube would run from a store underground to a central station. From there the tube could be switched automatically, and the cylinder with its parcel deposited in the purchaser's home almost instantly. They had their heat, light power, telegraph, telephone, and water systems, which were all owned and operated by private companies, as well as the local systems of street transportation. There were no monopolies. Competition in all classes of public service agencies developed them to the highest state of efficiency, and the specious arguments of old-time monopolists, who taught that public utilities were necessarily of a monopolistic character, was the most unsound doctrine of economics ever taught.

It had also been taught that unnecessary competition was a waste of capital, and the people had to suffer in consequence. That if two railroads were constructed between two cities where one road could

handle all the traffic, that the building of the second road was a waste of capital, a burden to the people, and should be prohibited by law. But all such doctrines were but the selfish ideas of certain individuals and their followers who could never see beyond their own interests. If there were two lines of railway between two places, where one could accommodate the traffic, had not the construction of the competing line afforded work to the laborers and the thousand and one other industries to which it had contributed for supplies, and had not its operation contributed to the wants of a large class of men to whom it gave permanent employment and to others who supplied the wants of the operators? As the government fixed the maximum rates which might be charged, regardless of competition, and which rates could not be cut by roads in competition, it was simply a matter of superior service which enabled one road to get more business than the other, and instead of being a burden was a benefit to the public. All of which proved the unsoundness of the doctrine that public utilities were necessarily monopolistic.

The same rule applied to every other system. Give the people a chance to work for themselves; give them something to do, but restrain them as to how they may do it, and what they may charge for doing it, and the government should do no more. It has fulfilled its functions.

Whatever could give most employment to the people was the true method of weighing whether certain economics were right or wrong. Otherwise, if work were restricted, there would in time become an idle class, the very condition to be guarded against.

Although populous as had become the great cities, yet they were not congested as of old; and while Chicago with its twin city Milwaukee contained eleven million inhabitants and was constantly growing, yet there was no congestion either in the business districts or residence portions. Every business man had his suburban residence, and a suburb of the city meant all territory within fifty miles of the city limits in any direction. The fast electric elevated trains made the run from the center of the city to the extreme suburbs at the rate of sixty miles per hour; while in small cities, where street railways were not in vogue, the auto-cars whirled the business man to his office at the rate of fifteen miles per hour. Southern Wisconsin and northern Illinois were dotted with princely dwellings as thickly as a country town with its more unpretentious places.

St. Louis, New York, Boston, and Philadelphia had also grown rapidly, but none of them equaled the twin cities of the lakes.

St. Paul and Minneapolis had become one city with one government as early as 1930, which was no small

satisfaction to the government, when it recalled the old feuds that existed between the two cities whenever a Federal census had been taken.

San Francisco was a great and thriving city with three millions of inhabitants, while New Orleans, the Gateway of the Gulf, was a close second. Inland cities that had their populations running from ten thousand to forty thousand each, and which had stood stationary for years, went ahead with leaps and bounds, and in some of them the population was doubled four times over. And in all, labor and commerce were at peace.

The trading in the larger staples of the country and in stocks and bonds of railway and industrial corporations was carried on through the medium of the Stock Exchange, the Board of Trade, and the Chamber of Commerce, to be found in the principal cities of the country, while every small city had its Board of Trade connected by wire with its correspondent of the nearest metropolis, who was a member of and had the right, to go upon the floor of the Stock Exchange or Chamber of Commerce and execute the buying or selling orders of his clients. This right, or a "seat" as it was called, was a valuable privilege, and sometimes cost as much as a Hundred Thousand Dollars. Now while the law of supply and demand in part regulated the prices at which the various securities and commodities could be bought

and sold, yet the greater part of the trading done was purely and simply a refined and legalized way of gambling. Under the new administration all this was changed, but to understand the difference between the new and the old ways of conducting the business of the country, let us visit first the Chamber of Commerce of the large city, and then the small board of trade of the country town.

In the center of the room is one or more raised platforms with steps leading to the floor both in the center and on the outside of the circular platform. This platform and steps are crowded with an excited group of men. A long, high blackboard at one side of the room displays the commodities dealt in, and the current price of each. The men are watching this board. The price of wheat is 70 cents per bushel. A cablegram comes from the great wheat-producing country of Argentina, stating that a destructive storm has occurred. All is pandemonium in an instant; that news means damaged crops, and wheat will go up a half-cent per bushel. Messengers are running hither and thither to carry the orders of the brokers, which are to buy or sell, as the case may be. Another message comes from Alberta, Canada, another great wheat-producing country, which indicates a bumper crop, and the price drops to 69 $\frac{3}{4}$  cents per bushel; and upon such slight causes as these reports, men bet whether the price of wheat to be delivered



thirty, sixty, or ninety days ahead would be above or below a certain price.

The same principles governed the rise and fall of prices in the stock exchange. Northern Pacific had been selling at 210; the man who had been at the head of that road for years dies; the instant news is received of his death, Northern Pacific drops to 200. Or the same report from the wheat regions of Alberta will show that Northern Pacific will have an immense freight business, and its stock will jump to 212½.

Now let us visit one of the small boards of trade where the professional speculator attends the daily quotations as regularly as he does his meals. In front of the regulation blackboard are two or three rows of seats occupied by the speculators during the hours of receiving quotations. As the ticker announces the last quotation on any stock, bond, or commodity, it is displayed on the board. Suppose one of the speculators believes that wheat will be worth 80 cents the first of the next May. It is now 70 cents. He buys or gives an order to the broker to buy ten thousand bushels of May wheat, for which he deposits 5 cents per bushel with the broker. Now if he has guessed correctly, the 5 cents per bushel is all he will have to pay, and if wheat sells on the 1st of May for anything in advance of 70 cents, he has made a profit. But if he has guessed wrongly, and wheat drops to 65 cents a bushel, he is

closed out, unless he still has faith and is willing to risk another 5 cents per bushel. The brokers get a certain per cent for buying and selling, so that if May wheat sells at the same price he bought at, he is out the brokerage for both the buying and selling.

Suppose he was not a buyer in the first instance, but bet that wheat would sell for less than 70 cents. He would direct the broker to sell 10,000 bushels of May wheat at 68 cents. Now if on the 1st of May he had guessed correctly, and wheat was selling at 65 cents, the party to whom he had sold would pay him the loss of 3 cents per bushel, which would be his profit. But if wheat had gone up, and on the 1st of May was worth 80 cents, he would have lost 12 cents per bushel, and must pay the purchaser that amount to settle the deal. The same principles applied to the buying and selling of stocks and bonds. If the party could guess rightly, he could win; if he guessed wrongly, he lost. It was gambling pure and simple, in which the prices were not fixed by the law of supply and demand, but by the caprices of those who, through the immense amount of money at their command, could send prices soaring, when they were called "bulls," or could depress them at will, when they were called "bears."

Besides these regular speculators of the Board of Trade, there were numerous hangers-on who never had money enough to margin a thousand bushels of wheat,

but who would deal in "puts" and "calls" from day to day, betting in the same manner as their brethren with the larger bank accounts. There were scores and scores of these men in every city, whose only income was the winnings they made from day to day by hazarding a five or a ten dollar bill at the close of business as to what the price of a certain stock or commodity would be at the opening the next morning.

In all these transactions not a bushel of grain and not a transfer of stock was actually made, unless in the end the speculator paid in full and demanded delivery. It was a source of great misery throughout the country, for in the end the manipulators were bound to win, and the professional speculator was just as bound to lose.

The Distributors put an end to all trading and speculation of this nature by enacting laws that prohibited the purchase of any stock, bond, or commodity for future delivery at a price different from that on the day the transaction took place; and by further providing that no purchase or sale should be made in which the full cost of the purchase was not paid or secured on the day of the transaction. These laws wiped out at a single stroke all gambling in connection with the trading in articles of human consumption and in the securities of corporations. It wiped out the gambling business of hundreds of thousands of the professional

speculators, and it fixed the prices according to the law of present demand and present supply, and not upon what the future might dictate.

It reduced the Stock Exchanges and Chambers of Commerce and Boards of Trade to their legitimate spheres, and it reduced the number of failures and suicides in the country over one hundred per cent the first year they were in force.

If a man still wished to speculate, he could do so. He could buy a thousand bushels of wheat or ten shares of railway stock, pay for them, and hold them for a rise in price. If the rise came, he had made his profit; but if the price fell, he had no margin to lose and was not frozen out of the deal, but could hold on to his purchases as long as he pleased. This was the true way to speculate, and the American people had learned the way.

*Dr. M. C. Dwyer*

M. D. (HARV'D)

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LOS ANGELES, CAL.

## CHAPTER XXIV

### COURTS OF JUSTICE

THERE were forty-eight states having forty-eight courts of last resort. There were also the United States Federal Courts consisting of the Supreme Court, the Circuit Courts, and the District Courts. All these various courts published their decisions in full, which averaged three volumes per court per year, and which went to make up the lawyer's library, for the decision of every case depended upon precedent. Besides the courts which published their decisions, there were the courts of original and intermediate jurisdiction, such as Justice's Courts; Municipal Courts, Circuit Courts, and numerous other inferior tribunals.

The State Courts had jurisdiction of all causes of action involving state laws; the Federal Courts had jurisdiction of all causes of action involving Federal laws; and as the question whether a cause of action involved Federal laws or not was frequently resorted to, even after a decision of the court of last resort in a state, neither litigants nor lawyers could tell in the beginning in what court they might secure a final determination of the matters in dispute.

As so many states had conflicting statutory law, decisions could be found upon both sides of every question coming up, which involved the study of the particular statutes under which the case was tried.

It is remarkable that so enlightened a nation as the United States had become, even under the system of Centralized Wealth, should permit such a chaos of decisions and courts to exist; and still more remarkable that so enlightened a nation still adhered to the old system of precedents to govern her courts in their decisions. It was the one branch of the administration of human affairs in which no progress had been made, and the older the precedent, the more thoroughly established it had become, and the more weight it had in determining fine points, where later precedents seemed to conflict with the earlier decisions. In fact it was remarkable that the government of the United States had not adopted the now almost universal rule of instructing her courts to base their decisions on modern conditions and common sense, rather than upon decisions reported in some volume musty with age, and reeking with ignorance and superstition of the time in which rendered. However, it is to the credit of some courts that they did occasionally reverse their own decisions, and set themselves right with an acknowledgment that the earlier decision had been wrong, and should not be taken as a precedent.

Now it was manifestly right and just for courts to correct their own errors; but equally so was it right for them to correct the errors of other courts of earlier times; but traditions and the sacred respect for past decisions prevailed, and while the country progressed in one way, its rules of action were controlled by the opinions of jurists, which were neither just nor reasonable under modern conditions.

Certain practices were also sacredly adhered to which smacked of the relics of by-gone days, of superstition and barbarism, and as the presiding judge of a Roman Court was required to appear in a toga or gown, without which he was not properly "clothed" with power to adjudicate the question brought before him, as if still sitting in a Roman or Grecian Court, the judges of the Federal Courts and of some of the State Courts were required to wear a court gown while sitting in their respective tribunals.

In the trial of issues of fact, a litigant was entitled to have his case tried by "a jury of his peers," as precedent determined, but in the selection of a jury the litigants were made out to be rather an ignorant class of beings, for the most satisfactory jurymen to either side was the man who knew the least of what was going on about him. And if in considering the evidence eleven good men could agree, if the twelfth man could not be won over to their way of thinking, the whole case

was a mistrial and must be retried; and as it sometimes happened, a case was retried three or four times and no verdict ever reached, the litigants were not only deprived of a decision of their disputes, but were put to great expense in money and time.

But the world was moving, and particularly the United States had come to see the folly of her system of Courts of Justice.

In unifying the laws of the several states, the government of The Distributors reorganized the whole system of State and Federal Courts.

The Supreme Court of the United States was made the court of last resort. The Supreme Court of each state was made a court of last resort upon all questions involving certain amounts or certain questions. And it was for the Supreme Court of a state to say whether such questions were appealable to the United States Supreme Court or not, and its decision upon such points was final. The courts of original jurisdiction were the Municipal Courts of a city, village, or township; and the County Courts of the counties. Aside from special Probate Courts in every county, all other systems of courts were abolished. All courts were in perpetual session, which avoided the long delays so often experienced before getting a case to trial. The Municipal Courts had original jurisdiction of all petty offenses, and claims up to \$500. The County Courts had



appellate jurisdiction from the Municipal Courts, and original jurisdiction of all other cases. The State Supreme Court had appellate jurisdiction from the County Courts.

The Municipal Courts were presided over by judges who were efficient lawyers, and not the old-time justices of the peace, who had no knowledge of law.

The County Courts were presided over by one or more judges, as the business required, each judge sitting alone. The State Supreme Courts were presided over by as many judges as might be required to determine the business before it, three judges only sitting in the trial of any case.

The United States Supreme Court was also presided over by as many judges as required, at least one from each state, and but three judges sat upon the trial of any case.

Where three judges sat upon the trial of a case, if two judges agreed, their opinions determined the issue. The reason of limiting the judges to three was because where, under the old system, the number had been larger, they often had been so equally divided in their opinions that one man frequently determined a case, while those opposed to him would render a dissenting opinion often as frequently near the correct solution of the questions involved as the decisions actually rendered. So for the purpose of expediting business, and

giving judges more time to concentrate their minds upon a fewer number of cases, but three judges were permitted to sit in any trial. If, however, the three were agreed to consult with the others upon the determination of a certain question as stated by them, they might consult with the judges sitting in a body for the determination of such question.

In the trial of questions of fact in Municipal Courts, the presiding judge had sole power, and the old-time custom of six jurors as in Justice's Court was discarded. In the County Court, questions of fact were tried by a jury of twelve men. Each county elected thirty-six jurors to serve for a term of two years; but these jurors never sat in the trial of any case within their own, nor in any adjoining counties, but they were traded with distant counties. They were paid their traveling expenses and for the time spent in the duties of their positions. They were subject to call at any time to any county in the state, and were never challenged. Thus, suppose the jurors elected in the County of A were sent to the County of E, the jurors of F would be sent to A. When a case was called for trial, twelve names would be drawn, and the twelve men whose names were drawn would constitute the jury for that case. Nor in rendering a verdict was it necessary that they all agree; if nine men were agreed upon the question of facts as presented by the evidence, their

opinion prevailed and became the verdict of the jury. They were more intelligent men than the jurors under the old system, and their verdicts gave more universal satisfaction, while the time and expense saved in securing a jury more than offset the extra expense of transporting them from one county to another.

In bringing parties into court to be tried for crime, if caught in the act, they were immediately arrested and brought into court and their trial immediately had, or following any case that might then be on trial; but taking precedence over all other civil cases.

If the party were not taken in the act, but arrested upon circumstantial evidence, he was put upon his trial as soon as the prosecuting attorney could prepare his case for trial. The accused was furnished counsel at the expense of the state, and he was given the same time to prepare for his defense as the state took to prepare its case, but at least sixty days was to intervene between the arrest and the trial.

By enforcing speedy trials, the accused not only escaped long periods of unnecessary confinement, but there was less liability of manufactured evidence which often crept into the trials of long-delayed cases, and where more than one man had been legally executed upon the most unreliable testimony. Evidence on either side was more easily to be secured, and witnesses were less likely to forget. As capital punishment had

been abolished, there was no danger of an innocent man being executed, and if it so happened that an innocent man were convicted of a crime, and the error were ever discovered, full restitution was made to him by the government for his time, and the loss of the companionship of his family, as far as money restitutions could be made. But such cases were rare.

Instead of burdening the courts with a multiplicity of precedents, presented by either side, which might be absolutely conflicting, a rule was established prohibiting the use of any court decision more than fifty years old from being used in the trial of any case. And when a decision of any court of last resort was published, it became, not only a precedent for future guidance upon all questions involving the same points, but it became absolute law, which nothing but an act of Congress could set aside. There were no conflicting laws between the several states, so there were no conflicting opinions between the several State Supreme Courts, and the first decision of any State Court upon a certain point established the law upon that point until it ceased to be good law, when it would be either abolished by Congress, or, when fifty years old, cease to be law.

With these changes in the system of adjusting human rights, the United States had at once the most simple and perfect Court Systems in the world. Litigation was discouraged; but where necessary, the litigants

soon knew which were right and which were wrong, without long years of delay or enormous cost bills to pay.

The Probate Courts of the land had exclusive jurisdiction of the settlement of estates, and in cases where the amount exceeded \$500,000, the Federal Probate Court coöperated with the State Probate Courts in each county.

In the practice of law, the lawyer was required to be an honest, upright, moral man, thoroughly trained in his knowledge of the law. With all the simplicity of the system, the business of the country was so enormous, that, to be thoroughly grounded in the principles of law and current decisions, more time was required by students each succeeding year.

If an attorney proved himself faithless to his clients, or to the courts, he was deprived of all further rights to practice in any courts, and could not be reinstated for a period of ten years. If, then, upon proper showing he convinced the government of his good intentions, he could be reinstated by passing the necessary examinations required of students; for in ten years, the most able lawyer, without constant study, would be so far behind the requirements of the legal profession, that he would be useless as an attorney.

Judges were prohibited from wearing any but the ordinary dress of a citizen while sitting in court, for they

were not the theoretical creations formerly supposed to be, but were men, skilled in their work as other men were skilled, and adjudicating the rights of men, and were therefore required to appear in their workshops, the court rooms, in the ordinary business suit of a citizen.

They were elected by the people and held their office during their lives, or until retired for age or disability. The same rule applied to all judges alike, but candidates for the inferior courts were not required to possess the qualifications of those of the superior courts.

If a vacancy occurred from any cause, including resignation, it was filled by promoting a judge from one of the inferior courts, not by appointment, but by his election by the people. Thus, if a vacancy occurred in the United States Supreme Court, it remained till the next General Election, when as many judges from the State Supreme Court as desired might be voted for. As but one could be elected, that state in which the vacancy occurred — for each state was represented by a member of the Federal Supreme Court — at the same election also voted for one County judge and one Municipal judge to fill places in the next higher courts, and also for new candidates to fill the Municipal vacancy to be created. Thus there was always promotion from the Municipal judgeships up to the Supreme Court of the land. And the people determined the

succession. The County judge receiving the highest number of votes became State supreme judge; and the Municipal judge receiving the most votes in the county where the successful County judge resided became County judge, and the successful candidate of that county succeeded to the vacancy of Municipal judge. This manner of electing Superior judges by promotion took them out of all influences which too often had characterized the election or appointment of judges under the old system. They were elected at the regular General Elections held biennially in the month of November, instead of at a special Judicial Election held in the spring as formerly, when their choice was from the people and not by promotions.

## CHAPTER XXV

### WORKS IN PROGRESS

A COUNTRY so fertile in schemes to utilize her labor, create vast home markets, and keep her constantly increasing wealth as constantly in circulation, would undertake and accomplish works which no other nation and no other people ever could think of as being within the possibilities of man to do.

We have so far described in this report several of the great works which were undertaken and fully completed, and we will now show what great works were in progress at the time of our investigations and the methods of carrying on those works.

In the development of the country great forests of pine and other woods had been cut down and manufactured into lumber of various kinds so necessary in the construction of everything which goes into service for human wants. There were vast territories where the pine forests had stood, which were particularly useless for agricultural purposes, but which possessed a natural soil for the growth of the pine and some other woods.

For the benefit of future generations the government



had purchased many million acres of these waste lands, and was cultivating a forest of young pines. The work gave employment to several hundred thousand men, and millions of trees had been planted. It was expected that the work of caring for the trees would require about twenty years, when no further attention would have to be given them. In the course of two or three hundred years, the country would possess finer forests of pine for building material than the primeval forests were, and would be infinitely more valuable.

Certain bottom lands, so low that in times of high water they were always overflowed, also were the natural places for producing certain other kinds of valuable woods for building material, and these, too, were under cultivation for forestry purposes.

In the past, great waste had been committed in the use of fuel, and the time was certainly approaching when the scarcity of coal would compel the government to look for some other supplies of fuel. Many of the states contained beds of peat, which, when thoroughly dried, made one of the very best fuels known, and the supply of peat was almost inexhaustible. But no process of drying and compressing the peat had been discovered to make it a commercial possibility. It could be done at great expense, but no private enterprise could afford to undertake it, for the profits were too small to warrant the expense. But with the gov-

ernment of The Distributors, it was different. They had commenced in a small way, which was proving successful, to dry and compress the peat into small cubes, and it was estimated that the peat in sight to be converted into marketable fuel was sufficient to employ five million men for a thousand years. This peat fuel was being stored against the time when coal would become so nearly exhausted that it could be utilized with profit to the consumer. In other words, the government was completing the work of Nature by completing the manufacture of the crude products into completed coal.

Other vast areas of the United States, which were originally barren deserts, were being converted into the most fruitful fields by irrigation, and it was expected that the time would come when there was not a foot of land within her boundaries which was not used for some profitable purpose. All of these great works were carried on as the supply of labor could be procured. The laborers were cared for in the same practical way as The Distributors had adopted from the start, and they were compensated from the Public Wealth of the country.

Still other great works which were planned, but at which nothing had been done for lack of labor, was the construction of retaining walls along certain streams which overflowed at certain seasons of the year to the great destruction of property, and often of lives. Com-

petent engineers had drawn plans for these retaining walls which would keep the rivers within their proper channels, and make the rich alluvial bottoms safe places for man to dwell and cultivate the soil.

As yet nothing had been done for the development of that rich part of her possessions, which rivaled in extent the part of her territory east of the Mississippi River. Alaska, with her rich resources, was still practically a virgin country from which much might be expected in the future.

The Philippine Islands, which had been secured at the close of the war with Spain for the pittance of Twenty Million Dollars, were among the richest of Oriental lands when fully developed. But as the work of development had scarcely begun, it was impossible to estimate the results of the future. The Sandwich Islands and Porto Rico were valuable islands, and all were of the most valuable part of her possessions for strategic purposes. Cuba had become for all purposes a full state of the Union, and had been given the same system of uniform state laws as other states. But she possessed vast resources still undeveloped, which in time would occupy the attention of the government.

It was not necessary to push the development of any of these vast enterprises faster than the demands of the people for work would warrant, but rather to hoard them for the future, when an oversupply of labor would

be calling for work. In such case the government would not be handicapped, nor large forces of men be without employment. In all things the government lived not only for to-day, but for the future; not only the future of next year and the year after, but for generations yet unborn, which would inherit from The Distributors the greatest blessings that a nation could bestow.

## CHAPTER XXVI

### ETHICAL CONDITIONS

As the greatness of a nation depends upon the ethical conditions of her people as well as upon her political, commercial, and military power, this report would be far from complete if we did not refer to the social and religious life of the United States.

When the mind is free to act, unhampered by the stress of poverty, the intellectual faculties of a person are developed to the highest state of perfection.

Given, a man with poverty staring him in the face, and his mind is dwarfed and narrowed, and he does not partake of that broad view of life and all it has in store for humanity, as his Creator intended. He is naturally envious of his more prosperous neighbor, and jealous of another's success as he looks upon his own failures; and his ideas of a hereafter are shaped in part by the food he eats and the clothes he wears.

Under the old system of Centralized Wealth there was a continual feeling of discontent, even among the more prosperous people, for they lived more in fear of what the future of this life on earth had in store for them than they did of that of the life beyond.

In religion they had been divided into two great bodies of Christians: the Roman Catholics and the Protestants; and the latter were divided into numerous sects so related to each other that the line of demarcation was not easily drawn, and indeed there was such a likeness in forms and ceremonies in some Protestant churches as to closely ally them with the Roman Catholic Church.

Aside from those who professed to believe in the orthodox Christian church, there were other sects, who, while denying the divinity of Jesus Christ, yet believed in His teachings and the future life. It might be supposed that with such a variety of beliefs and religious training the people would have been in their business lives what they were in their social and religious lives; that the man who went to church on Sunday would have carried his religious convictions with him into the other six days of the week and put them to practical use in his dealings with his fellow-men; but such was not the state of ethics as they existed under the system of Centralized Wealth, and the man who prayed most devoutly, and listened most earnestly to the preaching of his pastor on the Sabbath, was more apt to be the close-fisted, narrow, wealth-grasping man, than the ordinary business man who made no pretensions of living up to the ethics of religion.

The age was one of money getting, and whether a

man were of the world worldly, or whether he was a pillar of the church, his aim in life was to do business six days of the week with his left hand on his own pocket-book, while his right tried to clutch that of the man he was dealing with.

With such conditions existing among her people, no nation could be truly great. What was needed was a revival in men — a revival that would teach them that a religion which permitted them to kneel in worship with their brethren on one day of the week, and to fleece them on the other six days, was not a religion at all, but the purest hypocrisy.

There was not that fellowship between man and man that one might have expected in a civilized Christian country, which sent missionaries to foreign lands to convert the heathen; there was not that spirit among men that Christ taught should exist, for the various churches had adopted certain creeds and ceremonies which they adhered to, while the true principles of Christianity were forgotten.

With the advent of The Distributors there was an upheaval in the church as well as in secular affairs, and when the church looked on and saw the government through its system of distributing Centralized Wealth, wipe out the slums of the cities, reform the inmates, and relieve distress, works which they had been trying to accomplish for years, they looked on with awe

and came to see the follies they had committed in teaching creeds and forms, and the hypocritical lives many of them had been living. If the Drawer of Distribution could do in five years what they had been unable to do in two centuries, there must be something radically wrong with the church.

They were in a dilemma, to escape which was their one desire. There was no denying the fact that the man who lived or tried to live the life that Christ taught should be lived, regardless of any church creed or church discipline, was a greater teacher of men than he who, in priestly robes, a relic of barbarism, stood behind his altar and preached the creed of his sect.

Catholics as well as Protestants began to look upon what were real Christian principles; and when the work of relief had so far progressed that there was no more suffering among the people and all were in comfortable circumstances, that spirit of worship, inherent in every human breast, asserted itself among the masses, and a new church, without creed or form, was organized from the faithful of all creeds, and who lived for six days in the week as they formerly had professed to live on one.

Sunday was a day of rest and recreation, — not that recreation which turned the day into a holiday jubilee, — but recreation which took the people through green fields and to shady nooks, or a ride upon some silvery



lake or stream, where the phases of Nature could be seen in all their splendor; a rest which was believed to be worshipping the Creator with greater zeal than that of the old Puritanical laws, which taught that one should remain indoors with solemn face the whole of a Sabbath day.

On Saturdays all business came to a standstill at noon as completely as it did at night on other days, and Saturday afternoon was a half holiday for all, so there was no excuse for engaging in those boisterous games which characterized the old way of spending Sunday by the working people, whose excuse was that it was the only day afforded them for such amusements.

Gradually the orthodox churches fell in line with the new learning, and the churches were used for teaching the people along new lines; no longer were there rows of empty pews for the preacher to stare at, but every seat was filled and new structures were built to accommodate the people. Pastors and priests threw off their robes and talked to their congregations as Christ talked in his Sermon on the Mount. The days of dogmas were over. A new force had asserted itself, and that force was the knowledge that man had of himself and of his position and responsibilities in the world.

There was just as much human nature in the country as ever, but being secure against want there was no greed for wealth; every one knew that industry meant a

competence. The spirit of envy and jealousy died out, and men treated each other as human beings, and one did not squeeze his neighbor's pocketbook with one hand while he held on to his own with the other.

In Literature, and Music, and Art, the people became the superior of all others, for they had the time and the means of training themselves in the way their inclinations directed. Nor did they have to go to Europe to receive instruction, for the best instructors of the world had been gathered to teach in the hundreds of colleges scattered throughout the land.

The utmost freedom was accorded the press, which was one of the marvels of the country. Not a home in the whole nation but what received from one to half a dozen daily papers during the day, and every family was thoroughly posted on all current events.

The theater was elevated to the highest plane, and there was not a village of half a hundred people that did not boast of its playhouse as well as the cities.

There had been certain sects and communities which did not believe in the family mode of life, but they had few followers, who were mere fanatics, such as are always to be found in any country; and it may be truthfully said that the whole foundation rock upon which the greatness of the Republic rested was the sacred ties of the family, which were preserved with a fidelity unparalleled in all history.

The divorce evil, which under the old form of government had grown to such proportions that the daughter of a leading financier of New York publicly advocated trial marriage as a remedy, gradually grew less under the new system, where property was an inducement for a man and his wife to live together until parted by death. Instead of trial marriages or divorces to correct ill-mated pairs, people became more careful in their selection of a spouse. But if it happened, as it sometimes did, that people were so ill-mated that life together was a living hell, then the only true, reasonable, and rational remedy was a complete separation with full freedom for either party to remarry. In such cases, the injunction, "What God hath joined together, let no man put asunder," was not violated, for God never joined a man and woman who were not fitted for each other's companionship through life.

And to say that they might separate, but that neither could remarry, or at most only one, was as unholy and unchristian a teaching as ever was devised by man. But with poverty abolished and a premium for living together through life, the great majority of causes for which divorces had been formerly granted were removed, and only exceptional cases occurred where divorce proceedings were resorted to.

The sexes, as we have seen, were not segregated during their years of school life, and in each other's

society young men and young women mingled with the greatest freedom, while chaperons were unknown. Morality existed among all classes, for immoral conduct on the part of either sex was frowned upon, and the man who was guilty was as completely ostracized by society as the woman formerly had been.

Such were the religious and social sides of life as we found them, and which we believe to have been possible only under a government similar to that of The Distributors, a government which controlled the wealth of the country and kept it in constant circulation; and which allowed its subjects full freedom to develop their genius and talents in such direction as they were most inclined.

## CHAPTER XXVII

### CONCLUSIONS

SUCH is the report of the committee upon the causes which produced the conditions that revolutionized the system of government, and the methods of business, and the lives of the people of the United States; and which enabled her to take such an enormous stride in advance of all other nations.

In making the investigations upon which the report is based, the most careful, searching, exhaustive, and impartial searches were made in all directions and concerning all subjects.

The members of the committee started out with the end in view of completing the work for which they were appointed in such a manner, that whatever might be the findings, they would be made from an unprejudiced standpoint, and so far substantiated by ample proofs as to admit of no dispute or cavil.

Each member worked upon the part assigned him, irrespective of any other member of the committee; and not until the members of the committee were assembled at Washington for the work of compiling their statements and proofs into one complete report, was it

known what would be the central idea upon which the progress of the country was based. But in a cursory glance of the forty-nine reports, it was found that the central idea of each one of them was, that the present prosperity and rank of the United States is due entirely to her system of keeping the wealth of the country in constant circulation. In the report, the conditions of the present have been alluded to as existing in the past, for the reason that it is expected this report will be made use of by all nations for many years to come, when the reader will be less confused to learn of those conditions as they exist at this time, rather than in the then present time.

The report has been carefully compiled by unifying the forty-nine separate reports, and, under the censorship of a committee appointed by the government of the United States, has been approved at every step, as no statement was allowed to enter into a report which was not accompanied by the most careful proofs of its correctness. In consequence, much light and information upon previous conditions came to the knowledge of the Censors for the first time, and but for the proofs offered, would have been disputed and rejected from the report. But as finally completed, it had the unqualified indorsement of each member of the Committee of Censors, and to the report is attached a certificate under the hand of the President of the United States, attested

by his Secretary of State and the Great Seal of the nation affixed in evidence of its authenticity.

From the findings of the report, the committee, as a part of its work, arrives at the following conclusions, which it recommends to the consideration of the several nations represented at the Eurasian Conference, at which it will be made public for the first time:—

### I

The prosperity of a people as a whole depends upon the principles of the government under which they exist.

### II

Whatever may be the form of government, whether a monarchy, a limited monarchy, or a republic, the government must have the welfare of all classes and conditions of its subjects in mind.

### III

That it is not for the welfare of the people that the government should take over the occupations of its subjects, but rather that it should permit all industries of whatever nature, so far as possible, to be carried on by the people under proper restrictions of the government.

### IV

That no government should so hamper the free action of its subjects in any legitimate enterprise

that their ambitions will be destroyed and their genius dwarfed.

## V

That governments should place no limit upon which an individual may accumulate wealth by lawful means, but all governments should fix a limit to the amount of wealth which any subject may accumulate for his own private disposal.

## VI

That when a man's wealth exceeds the limit of that which he may privately dispose of, he is but the trustee of the people who created that wealth, and while he may be permitted to use such surplus and its increment, he must make an accounting at death to his government.

## VII

That governments should collect such surplus wealth accumulated by their subjects, and so distribute the same among their people as will give the greatest good to the greatest number, by instituting such works as will not compete with existing industries.

## VIII

That all wealth is but the creation of labor, and if wealth is kept in constant circulation, and the people kept constantly employed, the wealth of a nation is ever increasing.



## IX

That it is the proper and prudent policy of all nations to protect their subjects and property against any and all unforeseen attacks, by the construction of the most elaborate coast and border defenses, which are greater peacemakers than all the peace conferences ever assembled.

## X

That governments must see that no subject is wanting in any of the necessities of life; that the slums of the cities are eradicated; and poverty in general abolished.

## XI

That the education of all citizens, however humble, should be carefully attended to and made compulsory by the government.

## XII

That it is a duty which every government owes to its subjects to develop its own resources to the utmost.

## XIII

That the wealth of a nation is largely dependent upon the conditions of her highways and railways and the facility with which people can travel from place to place, as well as the ease with which their products can be transported to market.

## XIV

That all agricultural lands should be limited in the amount that a single individual may own and cultivate.

## XV

That wise provisions should be made for uniform laws, and uniform methods of obtaining redress between man and man.

## XVI

That Socialism and all doctrines of a socialistic nature are wrong, and dangerous to any community which attempts to put them in practice, for they destroy the life and ambition of the subjects, and the nation becomes practically dead.

## XVII

That all religions should be tolerated, but that the family unit should be preserved. That divorces should not be prohibited, nor the divorcees prohibited from remarrying, but such treatment should be accorded the people, and such inducements offered for retaining the family relations through life, that divorces will become unnecessary.

## XVIII

That when subjects are in a proper condition of health, and in want of nothing to add to human happi-

ness, they are in a condition to be the most useful of citizens, and their religious tendencies will manifest themselves in proper directions.

## XIX

That all the foregoing findings are possible to be carried out by any and all forms of government; and the nation that most clearly adheres to such policies will come nearer to approaching the present condition of the United States than the most prosperous nation can hope to approach which does not put them into practice.

And as a final conclusion the committee wishes to say, that from the evidence obtained upon all subjects investigated, the present unprecedented prosperity and rank of the United States is as nothing compared with what is in store for her in the future.

Though under the old system of Centralized Wealth she had citizens who accumulated two thousand million dollars during a lifetime,<sup>1</sup> yet to-day she has citizens by the hundred thousands who are worth their ten and twenty millions each. They enjoy life to the utmost; and when they die, the surplus passes to the Department of Public Wealth and is returned to the people. The people are universally prosperous, and the enterprising citizen can easier accumulate a hundred millions

<sup>1</sup> See Post-statement.

to-day than he could accumulate ten millions in the days of Centralized Wealth. And yet there is no want, no poverty among the masses. The great cities are free from the poverty-stricken tenement districts of old; the slum districts are unknown; and every person is an educated, intelligent, law-abiding, and industrious citizen.

Human nature exists among them as it must always exist; people have their differences of opinion as it is right they should, but with a never failing circulation of wealth, there is no danger of want, their progress is unobstructed, and there is no reason to expect any but a much higher state of society than exists to-day.

The committee therefore feels that it has discharged an important duty to the whole world, even to the United States itself, by being able to make such a complete report and to show the causes, conditions, and means which give to her her present exalted position, that other nations of the earth may profit by her experience.

That the nations which meet at the Eurasian Conference will agree with the committee, it has no doubt; and whether other nations fall into line or not, it can be but a few years before the conclusions of the committee must be the rules of all governments, if they would exist among the nations of the earth.

## POST-STATEMENT

FOR several years the author has had in mind the subject of the limitation of the wealth which a man might accumulate and dispose of as he desired. In the winter of 1904-5 while in Milwaukee he was invited to give a Sunday night lecture before the Milwaukee Literary Club, which he did, taking for his subject "The Limit of Wealth," and touching upon a few of the points brought out in the foregoing work. The lecture was afterward repeated at Racine and received much favorable comment.

The idea of writing a book upon the subject so impressed itself upon the author that he resolved to do it long before he actually began the work. The chief obstacle lay in choosing the way in which to present the subject. It would not be practical to choose some such method as chosen by the author of "The Scarlet Empire," to illustrate the practical workings of Socialism; nor the means which Edward Bellamy employed in his "Looking Backward." What was required was a means of showing the actual conditions of things in the United States itself under a system of government in which the central idea was the limitation of the wealth which a man might accumulate and control as he pleased.

To do this would necessarily take the reader into the future for a review of the history of the country, and for the purpose of preparing that review, there must be something more than the work of a single historian. So the idea of having an investigation made by outside parties for the purpose of studying the ways and means of reaching the advanced rank of the United States for their own benefit, and then presenting a brief of their report in narrative form, suited the author, which is his only apology for the way selected.

Hardly had the work been started when certain articles appeared in various periodicals bearing upon the very points which the author had mentally chosen to bring out in the work, and which will be referred to in this post-statement.

Chapter II, in which the author makes the country schoolmaster suggest the remedy for the relief of the people to be in disintegrating the fortunes of the rich and distributing them among the people, and yet permitting every man to accumulate as much as he could in his lifetime without restriction, was written on the fourteenth day of December, 1906. On the evening previous, Andrew Carnegie spoke before the Civic Federation in New York, and his speech came to the notice of the author in the *Milwaukee Evening Wisconsin*, December 15. In that speech Mr. Carnegie said in part, as follows: —

“Don’t interfere with the bee when it is making honey, but when it is through, take a big share of the honey.”

“Here are these millionaires, who have toiled not, neither have they spun. They come; they die. I am not in favor of touching the bee when it is making honey. Let the bee work. But when he passes away, then I say, the silent partner, the community that made that wealth, Mr. President, should receive its dividend, and a large proportion.”

“And I say that these men, when the time comes that they must die and lie down with their fathers, I say the community fails of its duty, and our legislators fail of their duty, if they do not exact a tremendous share, a progressive share, with no idea of making his children paupers, with no idea of interfering with his right to leave them a competence, but it is an enormous sum, those millions, which should really have a different name than property.”

“A man who has made money can usually be trusted to keep it. It is more difficult to keep sometimes than to acquire. But as for the sons, — the children, — they are not so constituted. They have never known what it was to figure means to an end, to live frugal lives, or to do any useful work.

“My experience is that I would as soon leave a curse to my boy as an almighty dollar. There are exceptions every now and then. But we must legislate not for the exceptions. We must legislate for the general public.”

The above remarks were so parallel with the ideas already expressed by the author, that lest plagiarism be charged, he immediately mailed a copy of the Pre-statement and the first two chapters of this work to Mr. Carnegie, calling his attention to the date of authorship.

On the first day of January, 1907, Mr. Stuyvesant Fish wrote out the following statement for a group of newspapers:—

“In point of time a great industrial crisis is due, and there are many indications of its being imminent. Despite the unprecedented output of gold, money is dear the world over, and dear because of high prices and activity in trade. Nor are other causes for dear money wanting. Great Britain has not made up its losses in the Boer War; Japan and Russia, particularly the latter, have scarcely begun to recover from the effects of their recent war. Indeed, it would look as if Russia may be on the verge of a civil war.

“Within the last year there have been tremendous losses of capital in the destruction of San Francisco,



and in the less awful calamity of Valparaiso, and at its close we have famine in China.

“The New York Stock Exchange has ceased to be a free market, where buyers and sellers fix prices through the ebb and flow of demand and supply, and has become the plaything of a few managers of cliques and pools to such an extent that for months past every announcement of increases of dividends and of rights has been met by a fall in prices. The investing public is remaining out of the market because of the distrust which it has of corporate finance now in vogue in New York. Europe also shares this distrust. Indeed, it seems to me that we have already embarked on a long-needed moral financial reformation, which, like the religious reformation of the Middle Ages, will, through much cruelty, work out good in the end. To the need of such a reformation, the public is fully awake.”

The author has shown how under the administration of “The Distributors” the rights of a state were almost wholly eliminated. In the latter part of December, Secretary of State Elihu Root, at a banquet of the Pennsylvania Society in New York, touching upon this very subject, said:—

“It is useless for the advocates of states rights to inveigh against the extension of national authority in the fields of necessary control where the states them-

selves fail in the performance of their duty. The instinct for self-government among the people of the United States is too strong to permit them long to respect any one's right to exercise a power which he fails to exercise. The governmental control which they deem just and necessary, they will have. It may be that such control could better be exercised in particular instances by the governments of the states, but the people will have the control they need either from the state or the national government, and if the states fail to furnish it in a measure, sooner or later constructions of the Constitution will be found to vest the power where it will be exercised in the national government."

"As to some subjects, if the states made their laws with the best will and with the greatest intelligence, the sum total of forty-six laws would be far less effective and more confusing than one law made at Washington and enforced from there."

The author also refers to a system of "peonage" which had sprung up in certain parts of the United States, and after that chapter had been written, the following news dispatch was published in the daily papers:—

"Houston, Tex., Dec. 26 (1906). Grandmaster

Shea of the Brotherhood of Locomotive Firemen to-day announced that he would lay before Commissioner of Labor Neill, who is due to arrive here from Washington to-morrow, charges of peonage against the Southern Pacific Railway.

“Mr. Shea asserts the company compelled negroes to serve as firemen against their will.”

In the chapter on the postal business of the country, the author takes the business from the government and lets it to a private company. The following clipping is taken from a late December issue of the *New York Times*: —

“A responsible Chicagoan proposes to form a \$50,000,000 corporation to administer the post office, to reduce all charges by one half, to establish free delivery, and to pay the government all profits above seven per cent. It is a plain commercial proposal elicited by the present agitation over postal reforms. But it illustrates something more. It shows that the waste from official mismanagement is so great that business men are willing under penalty, to undertake a department now so well conducted by the government that it is the stock argument in favor of government ownership, and to look to economics and improvements for their rewards. The bearing of this case upon public owner-

ship propositions in general, lies, of course, in the suggestion of incalculable losses, if the results from government of the post office are to be extended to railways and telegraphs and electric lighting, and so on. Only second place should be given to the wastes in salaries and other matters of administration. Of far greater importance is the restraint of trade through lack of a postal parcel system, rural free delivery, and abuses of classification of postal matter, which evade calculation in terms of precision. But the example serves to show what might be expected with a frozen administration of our railway systems."

Since the opening chapters of this book were written, numerous articles have appeared in the public press showing that a certain lumberman in the West is the owner of so much timber land that he is by far the richest man in the world.

In Wisconsin, a resolution has been introduced in the state senate, to amend the state constitution, so as to abolish the circuit courts and to create county courts instead.

The good roads question is the subject of agitation throughout the several states.

The trend of the times is along the route the author has tried to elaborate in this narrative. If some pessimistic critic should say that it would be impossible to

create the conditions I have described in the short space of thirty-three years elapsing between the advent of "The Distributors" and the investigation by the foreign committee, he is respectfully referred to the changes in human affairs which actually occurred in the thirty-six years between the Centennial Exposition, in 1876, where the telephone was first exhibited, and the year 1912, when "The Distributors" came into power. Had the actualities of those thirty-six years been described in 1845, they would have been looked upon as the wildest dreams.

No! the conditions I have described as having occurred between 1912 and 1945 are possible under the laws I have described, and if the publication of this work requires any excuse, it is not because the time is not ripe for the acceptance of the views it expresses.

ALFRED L. HUTCHINSON.

WEYAUWEGA, WIS.,  
March 22, 1907.



*Dr. M. C. C. C. C.*

M. D. (HARV'D)

CITY HEALTH DEPT.

LOS ANGELES, CAL.

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